

EXHIBIT PP

to the Declaration of
Lisa J. Cisneros in Support of
Plaintiffs' Opposition Briefs

1 UNITED STATES DISTRICT COURT
2 NORTHERN DISTRICT OF CALIFORNIA
3 SAN JOSE DIVISION
4

5 IN RE: HIGH-TECH EMPLOYEE)
6 ANTITRUST LITIGATION)
7) No. 11-CV-2509-LHK
8 THIS DOCUMENT RELATES TO:)
9 ALL ACTIONS.)
10 _____)
11

12 VIDEOTAPED DEPOSITION OF MASON STUBBLEFIELD
13 ATTORNEYS' EYES ONLY
14 Friday, March 29, 2013
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24 Reported By:
25 KATHLEEN WILKINS, CSR #10068, RPR-RMR-CRR-CCRR-CLR

10:22:47 1 that same area, did your duties change?

10:22:51 2 A. Duties didn't change as much, again, as
10:22:53 3 much as the expectations of me as an individual
10:22:55 4 changed, but the basic scope of responsibility was
10:22:58 5 still fairly similar.

10:23:01 6 Q. And how about now as VP of rewards?

10:23:04 7 A. The transitioning back from an HR
10:23:07 8 business partner role into the rewards role, the
10:23:10 9 scope of the job is different, the role is
10:23:11 10 different. So I now have responsibility for
10:23:14 11 everything end to end in compensation and benefits
10:23:16 12 for the company.

10:23:27 13 Q. And when you were starting at the
10:23:29 14 company, did you report to Mr. Grenier?

10:23:34 15 A. Yes, I did. When I first started, I
10:23:35 16 reported to Jim Grenier.

10:23:38 17 Q. At some point along the way, did that
10:23:40 18 change?

10:23:40 19 A. It did. When I moved to the HR business
10:23:43 20 partner role, I moved from reporting to him to
10:23:45 21 reporting to someone else.

10:23:48 22 Q. And to whom did you report then?

10:23:50 23 A. Jennifer Hall.

10:23:58 24 Q. And did you continue to report to
10:23:59 25 Ms. Hall when you became a vice president?

10:24:02 1 A. No. Actually, prior to that point, the
10:24:04 2 roles that I had shifted some, and I started to
10:24:08 3 report to Sherry Whiteley.

10:24:16 4 Q. And did you report to Ms. Whiteley until
10:24:19 5 you went back to the VP rewards job?

10:24:22 6 A. I still report to her today.

10:24:24 7 Q. Okay.

10:24:24 8 A. So since 2009 I've reported directly to
10:24:27 9 her.

10:24:43 10 Q. When your job changed a bit in the first
10:24:46 11 year and you took on more responsibility,
10:24:48 12 including base compensation, bonus, et cetera,
10:24:53 13 tell me what was involved in -- start with the
10:24:56 14 base compensation work.

10:24:59 15 A. So I'd say it's fairly broad from a base
10:25:02 16 compensation perspective. It's something we think
10:25:04 17 of as job architecture. So the job codes that we
10:25:07 18 use, the job titles that we use, the structure
10:25:09 19 behind that job system that we have really around
10:25:12 20 job codes, job families. And so helping structure
10:25:15 21 that, set that up. The connections from that into
10:25:18 22 the market data and how we provide market
10:25:20 23 reference data to the organization to assist with
10:25:22 24 making compensation decisions; the extension of
10:25:26 25 that into the annual talent and pay process, the

10:25:29 1 merit decisions, performance decisions and
10:25:33 2 managing that process across the company.

10:25:35 3 It included a broader scope around the
10:25:38 4 company-wide bonus program that we call IPI. The
10:25:42 5 forecasting, the management of that process and
10:25:44 6 the decision process we're at each year. More
10:25:48 7 responsibility around our year-end process with
10:25:51 8 the things we think of as the annual focal process
10:25:53 9 or the talent and pay review. So supporting that
10:25:56 10 process and how it rolls up at a company level.
10:26:04 11 And at some point along the way I did take on
10:26:07 12 responsibility for the retirement program, the
10:26:08 13 401(k) program.

10:26:17 14 Q. What was involved in the job
10:26:19 15 architecture work?

10:26:21 16 A. It's basically setting up some structure
10:26:24 17 behind job codes and job families, job levels that
10:26:28 18 we use to identify the roles that exist across the
10:26:31 19 organization, helping -- it's a tool that helps
10:26:35 20 leaders with the different -- kind of different
10:26:37 21 levels or different roles that exist inside of
10:26:39 22 their teams and how we can take those and connect
10:26:41 23 them out to the marketplace in roles that exist.
10:26:44 24 It helps with job expectations a little bit from a
10:26:47 25 performance management perspective and the core

10:26:49 1 things that would be expected in a job.

10:26:53 2 Q. And what was your understanding of why
10:26:55 3 you were doing that work at that time?

10:26:57 4 A. A necessary infrastructure to run a
10:27:01 5 business.

10:27:04 6 Q. Was one of the goals of creating job
10:27:07 7 codes and job families to ensure that people with
10:27:11 8 similar competencies got slotted into the right
10:27:14 9 levels?

10:27:17 10 A. From a leveling perspective, I'd say yes
10:27:19 11 in that we were building to some things that got
10:27:23 12 to consistency in how we level jobs relative to
10:27:26 13 the marketplace, and some consistency of levels
10:27:28 14 that we use across the organization from a job
10:27:31 15 scope perspective.

10:27:35 16 Q. Did that job architecture work that was
10:27:38 17 part of your base compensation duty change during
10:27:43 18 the time that you were working in the total
10:27:48 19 rewards area prior to the present?

10:27:52 20 A. Not significantly, no.

10:28:01 21 Q. And you mentioned that part of what you
10:28:02 22 were doing in creating these job codes and job
10:28:05 23 families was also connecting that to market data.

10:28:08 24 Can you explain what that was about?

10:28:10 25 A. Yes. We use market reference data as

10:28:13 1 one of the tools to help aid decisions around how
10:28:19 2 we compensate employees. So part of what we were
10:28:20 3 doing was putting levels in place that were
10:28:22 4 consistent or connected, not necessarily
10:28:25 5 completely consistent, but connected to levels
10:28:28 6 that are used in some of the surveys that exist in
10:28:31 7 the marketplace as a way for us to collect market
10:28:33 8 information on how other companies pay similar
10:28:35 9 types of roles, similar levels of roles.

10:28:38 10 Q. And do you recall in the 2005 era what
10:28:41 11 types of market survey information you were
10:28:43 12 collecting?

10:28:44 13 A. The pri- -- the primary survey that we
10:28:47 14 use is through Radford, and that's been the one
10:28:50 15 that we've used historically.

10:28:53 16 Q. And what type of information do you get
10:28:55 17 from Radford?

10:28:58 18 A. We get cash compensation information
10:28:59 19 from them. And so we get information that gives
10:29:02 20 us general data on how other companies pay and
10:29:05 21 base salary and what their typical incentive
10:29:09 22 targets are and what their typical actual
10:29:11 23 incentives are. It also gives us some information
10:29:14 24 around equity value that would be provided for
10:29:16 25 different levels of jobs.

10:29:19 1 Q. And is there a certain set of Radford
10:29:25 2 data that is particularly of interest to Intuit,
10:29:27 3 either by industry or type of worker?

10:29:31 4 A. So historically, we've looked just at
10:29:34 5 the general survey data from Radford. And so
10:29:37 6 we've not done selected market cuts or pulled
10:29:39 7 specific companies out of the data; we just look
10:29:41 8 at their general data. We look at it on a
10:29:44 9 geographic basis because we operate in so many
10:29:46 10 different locations around the country, and there
10:29:48 11 is a lot of variation of pay across the country.
10:29:50 12 So we'll use that as a piece of data to help us in
10:29:53 13 making decisions or references for decisions in
10:29:56 14 other locations. But we don't use a select
10:29:59 15 company cut.

10:30:00 16 Q. Is one of the categories of information
10:30:02 17 that would be on the Radford data software
10:30:04 18 engineer from this part of the country?

10:30:08 19 A. Yes. So we were -- you asked the
10:30:10 20 question about worker types. And so we are
10:30:12 21 looking at jobs that we have inside the
10:30:14 22 organization. And so a software engineer would be
10:30:16 23 an example of a job where we would want that data
10:30:19 24 or we would look at that data. We're not real
10:30:21 25 interested in the data on a chip designer because

10:30:25 1 it's not work that we do.

10:30:27 2 Q. Okay. Do you have a sense of what
10:30:32 3 the -- the key jobs are for you to get market data
10:30:37 4 on?

10:30:39 5 A. We tried to benchmark every job that we
10:30:42 6 can, and so we're able to benchmark about
10:30:45 7 80 percent of our jobs today. So I'm not sure I
10:30:47 8 would describe it as key jobs as much as it is
10:30:50 9 having representative data that helps us in making
10:30:53 10 decisions across the broad organization.

10:30:58 11 Q. And why do you try to benchmark these
10:30:59 12 jobs to the market?

10:31:02 13 A. Be able to pay competitively.

10:31:12 14 Q. Is there a process by which you or
10:31:15 15 others that you were aware of in the organization
10:31:17 16 in that 2005/2009 time period would review market
10:31:23 17 data to determine whether there should be salary
10:31:26 18 adjustments because the market was changing for
10:31:28 19 certain jobs?

10:31:29 20 A. Sure. We would look at the data as a --
10:31:32 21 you know, as one reference point for us in knowing
10:31:35 22 how fast the market is moving and how much things
10:31:37 23 are changing in the market and use that as an
10:31:40 24 indication of what -- a piece of data or something
10:31:42 25 that may help us in determining what our merit

10:31:45 1 budgets should be or if we needed to make
10:31:47 2 additional adjustments.

10:31:48 3 Q. And would you do that ever at looking at
10:31:50 4 specific jobs as opposed to overall merit
10:31:55 5 increases the companies were doing?

10:31:57 6 A. I'd say yes, we would look at both. So
10:31:59 7 we would look to see if things were moving faster
10:32:01 8 in any specific space than others just so we were
10:32:05 9 aware of what was happening to see if it might
10:32:08 10 cause us to want -- prompt a need to do something
10:32:10 11 different with a budget for some part of the
10:32:13 12 organization.

10:32:13 13 Q. And how often a basis would that review
10:32:15 14 be taken?

10:32:16 15 A. Usually once a year, that formal review.
10:32:20 16 The survey data gets updated throughout the year.
10:32:23 17 It's not useful to go look at it all the time
10:32:25 18 because it's not going to change as much.

10:32:28 19 Q. And tell me about that review process.
10:32:29 20 Put a time period on it. Let's say 2005 or 2006,
10:32:38 21 who would have been involved in doing that type of
10:32:41 22 review looking at market data and determining
10:32:42 23 whether there should be some changes in Intuit's
10:32:45 24 compensation?

10:32:47 25 A. It would have been myself as well as

10:32:49 1 some others as members of the compensation team.

10:32:55 2 Q. And in the 2005 period, who was part of
10:32:58 3 that compensation team doing that type of review?

10:33:01 4 A. If I go back to 2005, it was primarily
10:33:03 5 myself doing that type of review and a gentleman
10:33:05 6 named Paul Reichow.

10:33:10 7 Q. And did that -- did the composition of
10:33:13 8 that team change over time?

10:33:15 9 A. Yes.

10:33:15 10 Q. And how did it change?

10:33:16 11 A. Paul left the organization at some
10:33:19 12 point. Actually, if I think back too, there was
10:33:23 13 one other person called Deborah Morley who was
10:33:27 14 involved in some of the work then. People moved
10:33:29 15 into different roles and changed responsibilities,
10:33:31 16 changed roles. We brought other people into the
10:33:34 17 team. And so over a period of years, the team
10:33:36 18 would have evolved in some way.

10:33:37 19 Q. And going that forward to '06, '07, '08,
10:33:40 20 did the team grow or were there additional people
10:33:43 21 added?

10:33:44 22 A. Additional people, different people in
10:33:45 23 the team.

10:33:46 24 Q. Do you remember some names from that
10:33:47 25 era?

10:33:48 1 A. Sure.

10:33:52 2 Think a second. So I don't remember the
10:34:00 3 exact years on all of the time frames. So
10:34:03 4 there's -- one person who came into the team and
10:34:06 5 had some involvement in this was Melissa Sheffer,
10:34:09 6 and Carmen Mendez. There's one other one. It's
10:34:22 7 terrible. I'm remembering the first name but not
10:34:25 8 remembering the last name.

10:34:25 9 Q. What's the first name?

10:34:27 10 A. It's been awhile back. Patty.
10:34:28 11 Patricia. I don't remember the last name.

10:34:31 12 Q. It's completely natural that that
10:34:32 13 happens. And if you remember something later on
10:34:34 14 in the day to clear up a question that was hard to
10:34:36 15 answer earlier, it's fine to say "I now remember."

10:34:40 16 A. I'm sure I will think about it until I
10:34:42 17 remember it then.

10:34:43 18 Q. No problem.

10:34:44 19 During the time period that you were
10:34:46 20 actively involved in reviewing market data and
10:34:49 21 considering whether that should influence changes
10:34:50 22 in Intuit's compensation, was that the 2005/2008
10:34:57 23 period?

10:35:01 24 A. If I understand your question, I think
10:35:01 25 yes.

10:35:04 1 Q. Let me back up. Asked a poor question.

10:35:06 2 So there was a period of time when you
10:35:07 3 were involved in the compensation group that was
10:35:09 4 looking at market data and determining whether, on
10:35:12 5 a company basis or for a certain positions, there
10:35:16 6 should be a change in the compensation?

10:35:17 7 MR. KIERNAN: Hang on. Object to form.

10:35:20 8 BY MS. DERMODY:

10:35:20 9 Q. Is that correct?

10:35:22 10 A. So I --

10:35:22 11 MR. KIERNAN: Object to form. Just so I
10:35:24 12 can get -- there were two questions, so let me get
10:35:26 13 it --

10:35:27 14 MS. DERMODY: Sure.

10:35:28 15 MR. KIERNAN: Yeah.

10:35:28 16 THE WITNESS: Okay. So if I understand
10:35:31 17 your question, so during that time period, I had
10:35:34 18 responsibility for making a recommendation on what
10:35:37 19 the company's merit budget was. Using -- we did
10:35:42 20 look at market data. We looked at changes in the
10:35:44 21 market as a reference to that. But the primary
10:35:47 22 guide that we used was what we thought was
10:35:50 23 appropriate inside the company based on what our
10:35:52 24 demands and needs were for talent.

10:35:54 25 And so it was a piece of data that we

10:35:56 1 use, but it didn't really drive the decision as
10:35:58 2 much as other factors did.

10:36:00 3 BY MS. DERMODY:

10:36:01 4 Q. Okay. And if you determined that you
10:36:01 5 weren't competitive in the market, would that
10:36:04 6 influence a decision to increase salaries in a
10:36:05 7 certain area?

10:36:07 8 MR. KIERNAN: Object to form.

10:36:09 9 THE WITNESS: The primary base -- we
10:36:13 10 hit -- during that time period, our merit budget
10:36:15 11 was relatively consistent year to year. In most
10:36:17 12 years it was 3 to 4 percent. And primarily we
10:36:20 13 looked at affordability for the company; we looked
10:36:23 14 at what was happening outside; we had a consistent
10:36:25 15 budget each year. We actually had a consistent
10:36:28 16 budget in a number of years where we actually
10:36:29 17 would have seen things in the market either being
10:36:32 18 stagnant or flat, we continued to have increases.
10:36:34 19 And it was more based on what we felt was an
10:36:35 20 appropriate thing to do inside. It was not
10:36:37 21 because we felt like we were paying below market.
10:36:37 22 We actually had a fairly strong belief that we
10:36:41 23 were paying really strongly against market based
10:36:44 24 on the comparisons of data.

10:36:46 25 BY MS. DERMODY:

10:36:46 1 Q. But wasn't one of reasons you looked at
10:36:47 2 that market information to stay competitive with
10:36:50 3 your salaries? Is that right?

10:36:51 4 A. Yes. We did use the data as a
10:36:53 5 competitive reference.

10:36:54 6 Q. Right.

10:36:55 7 And so if you observed that there were
10:36:56 8 certain positions where you had somehow fallen
10:36:59 9 below whatever level you thought was competitive
10:37:01 10 in the market, that would influence your decision
10:37:03 11 to increase salaries in that area; isn't that
10:37:05 12 correct?

10:37:06 13 MR. KIERNAN: Object to form.

10:37:10 14 THE WITNESS: We'd use the data as a
10:37:11 15 reference from a competitive perspective and we --
10:37:13 16 we had consistent merit budgets. We didn't find
10:37:17 17 any data that said we needed to make any changes
10:37:19 18 to do anything specific for an individual group
10:37:22 19 during that time period.

10:37:22 20 BY MS. DERMODY:

10:37:22 21 Q. And was the reason you looked at the
10:37:24 22 data was to identify if you had to make those
10:37:26 23 changes?

10:37:29 24 MR. KIERNAN: Object to form.

10:37:32 25 THE WITNESS: The --

10:37:34 1 MR. KIERNAN: Just so I can clarify, the
10:37:35 2 reason I keep saying that is I don't know when
10:37:37 3 you're saying "you" if you mean he personally or
10:37:40 4 Intuit in general.

10:37:41 5 MS. DERMODY: Sure. Fair enough.

10:37:43 6 Q. I'm asking you in your role on this
10:37:46 7 compensation group.

10:37:50 8 A. We use the data as a reference tool. We
10:37:53 9 used other elements of data as reference tools as
10:37:55 10 well. And so, yes, that would be -- part of the
10:37:59 11 reason was to see how fast things were changing in
10:38:01 12 the market, how much things were moving in the
10:38:04 13 market.

10:38:04 14 Primarily, the use of the data was to
10:38:06 15 help our managers have another reference point on
10:38:08 16 how they are compensating employees. So they make
10:38:11 17 the compensation decisions. It's in their
10:38:13 18 discretion to choose how they want to pay. We use
10:38:16 19 it as a reference point to help them. We are
10:38:18 20 mostly giving them the data to give them an update
10:38:21 21 and say here's what current data looks like.

10:38:24 22 Then, yes, if we had seen huge changes
10:38:25 23 or dramatic changes in some ways, that might have
10:38:28 24 prompted us to make some decisions. We didn't
10:38:30 25 find that -- I don't recall finding that during

10:38:31 1 that time period. We had very consistent merit
10:38:34 2 budgets during that time period.

10:38:41 3 Q. When you moved to the HR business
10:38:46 4 partner role, was there another group of people
10:38:49 5 that were continuing to use the market data and
10:38:52 6 perform the same tasks you were then performing?

10:38:56 7 A. Yes. The -- there were others who took
10:38:58 8 on -- there was others who took on the roles and
10:39:01 9 responsibilities that I had when I moved.

10:39:02 10 Q. And who were those people?

10:39:04 11 A. The role was essentially split between
10:39:07 12 two people. Parrish Pullen.

10:39:13 13 Q. And?

10:39:13 14 A. And Christina Hall. And I did remember
10:39:18 15 the last name of the other person. Patricia Kada,
10:39:22 16 K-A-D-A.

10:39:28 17 Q. Thank you.

10:39:30 18 What were Mr. Pullen and Miss Hall's
10:39:35 19 responsibilities?

10:39:37 20 A. Miss Hall took on most of the
10:39:39 21 responsibilities that I had had in executive
10:39:41 22 compensation and equity compensation, and
10:39:43 23 Mr. Pullen took on more of the base pay
10:39:46 24 responsibilities that I had had initially. And
10:39:49 25 that evolved some over time. And I don't know

10:39:51 1 that I can tell you everything about how it
10:39:54 2 evolved.

10:39:55 3 Q. Okay. When you moved into the HR
10:40:15 4 business partner role, you mentioned that you had
10:40:17 5 some responsibility for compensation decisions
10:40:20 6 that were on your team.

10:40:22 7 What was that responsibility?

10:40:24 8 A. So as the HR leader for the business
10:40:26 9 unit, I worked closely with the head of the
10:40:29 10 business unit in our annual focal process in
10:40:31 11 auditing decisions that had been made across the
10:40:34 12 organization to ensure that we were paying for
10:40:35 13 performance.

10:40:44 14 Q. And can you describe what that audit
10:40:47 15 process was?

10:40:47 16 A. We have a system that we use to capture
10:40:50 17 the recommendations for managers, and we have a
10:40:52 18 review process with that. The audit process is
10:40:55 19 primarily reviewing reports that would come out of
10:40:57 20 that system and looking for the connection and
10:40:59 21 relationship between performance and compensation
10:41:02 22 to make sure we were delivering pay for performance.
10:41:04 23 So a number of reports and, you know, analysis
10:41:07 24 that we would do on data.

10:41:10 25 Q. And please describe kind of what the

10:41:17 1 actual steps were along the way of the whole
10:41:21 2 audit.

10:41:23 3 A. We -- we have a system that we use to
10:41:25 4 capture the recommendations. We would -- there
10:41:28 5 was some -- some reporting, some budget
10:41:30 6 information that would be available directly out
10:41:32 7 of that system.

10:41:33 8 And in some cases it would be
10:41:35 9 reporting -- pulling that data out into an Excel
10:41:38 10 file and then doing a number of different -- forms
10:41:41 11 of analysis on the data. So looking at
10:41:44 12 differentiation. So looking at merit increases,
10:41:47 13 increase recommendations by performance ratings,
10:41:50 14 looking at bonus recommendation by performance
10:41:52 15 ratings, looking to see ratios between those to
10:41:55 16 make sure that we're delivering for performance.

10:41:57 17 Looking at data across the different
10:41:59 18 leaders below the senior leader to make sure we
10:42:02 19 had consistency and compliance to budget at an
10:42:04 20 overall level. And, again, looking for
10:42:07 21 consistency between performance ratings and pay
10:42:10 22 decisions.

10:42:11 23 Q. And you said there was a system that
10:42:12 24 captures this. Is there an internal site in your
10:42:19 25 database at Intuit where managers would log on and

10:42:22 1 input what their recommended ratings were and
10:42:27 2 merit increases would be for employees?

10:42:32 3 A. Yes. We've used a couple different
10:42:34 4 systems. They're web-based online systems that a
10:42:37 5 manager would log into that would give them access
10:42:39 6 to their group of employees and ability to make
10:42:42 7 recommendations, capture those decisions.

10:42:44 8 Q. And then how did you do the audit? Did
10:42:46 9 you review all of those different recommendations?

10:42:49 10 A. Pri- -- in general, no. Not reviewed
10:42:53 11 each individual recommendation. Organizations are
10:42:55 12 very large. So we'd do audits looking for
10:42:58 13 patterns.

10:42:58 14 Q. Okay. Were there certain things that
10:43:01 15 would show up or would catch your eye as eye
10:43:05 16 opening in a recommendation?

10:43:06 17 A. Sure.

10:43:08 18 Q. What would that be?

10:43:10 19 A. A pay increase that was outside a
10:43:12 20 guideline for the performance rating, perform a --
10:43:15 21 any -- any inconsistencies. We have a set of
10:43:19 22 guidelines and we would have exception reporting
10:43:21 23 to identify things that were outside of those
10:43:24 24 guidelines and would audit those.

10:43:26 25 Q. So if -- so were there ranges of merit

10:43:32 1 increase that would be appropriate for different
10:43:34 2 performance ratings?

10:43:34 3 MR. KIERNAN: Object to form. Sorry.
10:43:38 4 Object to form.

10:43:40 5 THE WITNESS: We provide guidelines.
10:43:40 6 Intuit provides guidelines for what we would
10:43:44 7 expect a range of increase to be for a level of
10:43:46 8 performance.

10:43:47 9 BY MS. DERMODY:

10:43:47 10 Q. And then if a person -- if a manager had
10:43:50 11 recommended someone outside that guideline, would
10:43:53 12 that be something that you would audit?

10:43:55 13 A. Would depend on how far outside the
10:43:57 14 guideline it was. But likely it would be
10:43:59 15 something we'd look at to try to understand why
10:44:01 16 the recommendation was being made.

10:44:03 17 Q. Okay. And you mentioned that you were
10:44:06 18 involved in the audit process.

10:44:08 19 Was someone else also involved with you
10:44:11 20 reviewing the managers in your area?

10:44:14 21 A. I had a staff of HR business partners
10:44:16 22 that worked with specific leaders inside the
10:44:19 23 organization, and so they would do similar audits.
10:44:22 24 The compensation team that I had been part of
10:44:25 25 before would also do similar audits, try to help

10:44:28 1 us in going through the process.

10:44:29 2 Q. And was it your understanding that this
10:44:31 3 audit process was happening across the company
10:44:33 4 when managers were doing recommended merit raises
10:44:37 5 and bonuses?

10:44:39 6 A. There's a level of audit that happens
10:44:41 7 across the organization. I don't know that
10:44:43 8 it's -- that everyone else did exactly the same
10:44:46 9 things that I did, but there was a review process,
10:44:48 10 an audit process.

10:44:49 11 Q. Are you aware of specific differences in
10:44:52 12 the audit process across the organization?

10:44:55 13 A. I can't say that I'm aware of any
10:44:56 14 specific differences.

10:44:57 15 Q. Okay. And is this system that you
10:44:59 16 describe that captures the manager
10:45:02 17 recommendations, is that a system that is used
10:45:04 18 across the company?

10:45:07 19 A. Yes.

10:45:07 20 Q. Okay. And were there times where you
10:45:19 21 disagreed with a recommendation that a manager
10:45:22 22 made?

10:45:22 23 A. Yes. I'm sure -- I'm sure there were.

10:45:23 24 Q. And if that happened, would you decline
10:45:26 25 to approve that recommendation?

10:45:29 1 MR. KIERNAN: Object to form.

10:45:32 2 THE WITNESS: Our process didn't have a
10:45:34 3 specific approval process like that. So if I --
10:45:37 4 if there was something I had questions about or
10:45:40 5 something I wasn't clear about, I would ask
10:45:41 6 questions about it. And I -- in some cases I
10:45:45 7 might influence the manager to end up in a
10:45:47 8 different place, and in some cases their -- their
10:45:50 9 recommendation might go through.

10:45:51 10 BY MS. DERMODY:

10:45:51 11 Q. Do you recall there being any occasions
10:45:53 12 when you questioned a manager's recommendation and
10:45:55 13 the recommendation was changed?

10:45:56 14 A. I don't recall a specific situation of
10:45:59 15 that, but those things happened, yes.

10:46:20 16 Q. What would be an example of acceptable
10:46:23 17 reasons to pay outside the recommendations?

10:46:34 18 A. If the guidelines that we provide are --
10:46:36 19 you know, say, are fairly broad in some cases, and
10:46:39 20 a manager might feel like they might want to make
10:46:42 21 a slight exception to those. We pay for
10:46:44 22 performance, and so we would connect it back to
10:46:46 23 performance. So if someone's performance was --
10:46:49 24 their pay was not consistent with their
10:46:52 25 performance and the manager felt like they needed

10:46:54 1 to go a little bit higher on a merit increase to
10:46:57 2 get the re -- reward the employee appropriately
10:47:00 3 for performance, that would be an acceptable
10:47:02 4 reason.

10:47:03 5 Q. In terms of the factors that would go
10:47:05 6 into evaluating whether an employee should get a
10:47:10 7 greater or lesser increase in pay, what role did
10:47:15 8 retention come into that?

10:47:19 9 MR. KIERNAN: Object to form.

10:47:20 10 THE WITNESS: I'm not sure I completely
10:47:22 11 understand your question.

10:47:24 12 BY MS. DERMODY:

10:47:24 13 Q. Did you have retention ratings for
10:47:26 14 employees?

10:47:27 15 A. We do have retention ratings for
10:47:30 16 employees.

10:47:30 17 Q. Can you describe how those worked during
10:47:32 18 the time period that you were an HR business
10:47:35 19 partner?

10:47:35 20 A. Can you say more about what you mean
10:47:38 21 about how they worked?

10:47:40 22 Q. How were managers instructed to use
10:47:41 23 retention ratings?

10:47:44 24 A. Managers are instructed to rate
10:47:46 25 employees on three different factors, actually.

10:47:49 1 One of those is performance, one of those is
10:47:51 2 retention. Intuit uses three different retention
10:47:54 3 ratings. They get labeled as one, two and three
10:47:58 4 with one being the highest and three being the
10:48:00 5 lowest.

10:48:01 6 Managers are instructed to give every
10:48:03 7 employee -- that they have enough data on. If
10:48:05 8 they don't have enough experience with them, then
10:48:07 9 they couldn't necessarily do it. If they're
10:48:09 10 instructed to assign a retention rating to every
10:48:12 11 employee, the combination of their retention
10:48:14 12 rating and the performance rating and other
10:48:16 13 factors influenced eligibility for equity. It had
10:48:20 14 no bearing at all on base pay.

10:48:30 15 Q. And were there certain guidelines for
10:48:32 16 what performance rating and what retention rating
10:48:35 17 an employee needed to have to be eligible for
10:48:37 18 equity?

10:48:40 19 A. Yes. And those varied over the years.

10:48:47 20 Q. And how are managers instructed to
10:48:50 21 determine whether someone was a one versus a two
10:48:54 22 versus a three for retention?

10:48:56 23 A. There's a number of different criteria
10:48:58 24 that we describe behind what we think behind
10:49:01 25 those -- what those retentions ratings are. But

10:49:04 1 with retention primarily being connected to
10:49:06 2 equity, our equity vests over a multiyear period.
10:49:09 3 The primary difference between it is trying to
10:49:11 4 identify talent that we believe is going to be a
10:49:13 5 creative to the future of the company. And
10:49:16 6 there's a number of different factors that can go
10:49:18 7 into that. So it could be skill set. It could be
10:49:20 8 institutional knowledge. It could be things like
10:49:23 9 what we see as runway for future growth and the
10:49:26 10 opportunity to take on larger roles.

10:49:27 11 And the difference between one, two and
10:49:29 12 three is the varying nature of skills in those --
10:49:32 13 the qualification or the assessment of an
10:49:35 14 individual against those types of things.

10:49:37 15 Q. Are there ever managers that are, by
10:49:43 16 virtue of the project they're on, managing
10:49:46 17 employees that are all number 1s for retention?

10:49:53 18 MR. KIERNAN: Object to form.

10:49:53 19 THE WITNESS: "Ever" is a big word. So
10:49:58 20 I -- sure, that's a possibility. We do have some
10:50:03 21 expectations. We've always had expectations that
10:50:06 22 at larger level within the organization, there
10:50:08 23 needs to be differentiation across retention
10:50:10 24 ratings as well, and that not everyone is a 1.
10:50:13 25 But in a -- I could see a situation where in a

10:53:13 1 committee meetings of the board?

10:53:17 2 A. No, I did not.

10:53:20 3 Q. And was there a regular HR business
10:53:23 4 partner meeting that you attended, or were those
10:53:26 5 more ad hoc?

10:53:27 6 A. When I was in the compensation role?

10:53:29 7 Q. Yes.

10:53:29 8 A. Those were more ad hoc.

10:53:36 9 Q. What was your understanding of the
10:53:37 10 purpose of Mr. Grenier's meetings?

10:53:44 11 A. My meetings?

10:53:45 12 Q. The ones that you attended when you were
10:53:46 13 in the compensation role.

10:53:47 14 A. His staff meetings were kind of typical
10:53:50 15 staff meetings of updates on things happening
10:53:52 16 within the organization. So update things --
10:53:55 17 updates on things happening at an Intuit level,
10:53:58 18 things happening within the HR organization,
10:53:59 19 updates on things that were happening inside of
10:54:01 20 the total rewards team, you know, projects that we
10:54:05 21 were working on, kind of typical staff meeting
10:54:08 22 types of things.

10:54:10 23 Q. Did the topic of recruiting come up in
10:54:12 24 connection with your compensation work?

10:54:16 25 A. Say more about that. Recruiting as a --

10:54:20 1 we were not recruiting, but we did work with the
10:54:25 2 recruiting organization inside the organization,
10:54:27 3 and so, sure, it may have come up.

10:54:31 4 Q. Did you have any role in setting
10:54:34 5 recruiting policy?

10:54:37 6 A. No.

10:54:45 7 Q. In case there's any doubt, I'm asking
10:54:47 8 you about the 2005/2008 time period. And I'll try
10:54:51 9 to be clear if I'm not asking about that time
10:54:53 10 period. Okay?

10:54:53 11 A. Okay.

10:55:09 12 Q. Did you ever attend any board of
10:55:10 13 directors meetings in the 2005/2008 time period?

10:55:14 14 A. No.

10:55:15 15 Q. How about when you were an HR business
10:55:16 16 partner role?

10:55:17 17 A. No.

10:55:37 18 Q. Again, in the 2005/2008 time period,
10:55:41 19 what was your role in developing the annual merit
10:55:44 20 budget for Intuit?

10:55:48 21 A. I had the responsibility of making
10:55:49 22 recommendation.

10:55:52 23 Q. Can you walk me through the process that
10:55:53 24 you had to do that?

10:55:56 25 A. Primarily, the process we used was, you

10:55:59 1 know, looking at what was happening in the
10:56:02 2 marketplace. So getting some insights there,
10:56:04 3 looking at what was happening from a broad
10:56:06 4 perspective in the marketplace. Looking at issues
10:56:08 5 or situations that may be happening inside of
10:56:11 6 Intuit, things like turnover. So were we
10:56:13 7 experiencing a greater level of turnover? Did it
10:56:16 8 look like we had challenges or issues relative to
10:56:18 9 retention of employees?

10:56:21 10 Checking in with finance, working with
10:56:23 11 finance on what their perspective was on business
10:56:26 12 growth and affordability. And then I made a
10:56:28 13 recommendation of what seemed like an appropriate
10:56:31 14 merit budget.

10:56:36 15 Q. Did you ever have occasion to call your
10:56:38 16 colleagues at other companies to find out what
10:56:41 17 they were doing around merit increase?

10:56:43 18 A. Sure.

10:56:44 19 Q. And were there certain people that you
10:56:46 20 frequently reached out to?

10:56:49 21 A. I don't recall any specifics. I've had
10:56:51 22 connections in the valley for a long time, and so
10:56:54 23 would reach out to others that were in similar
10:56:57 24 roles just to get their sense of what was
10:56:59 25 happening and what they were thinking.

10:57:01 1 Q. And did that include people that were at
10:57:03 2 Google?
10:57:04 3 A. No.
10:57:07 4 Q. How about at Apple?
10:57:08 5 A. I'm going to say no. I've had some
10:57:11 6 contacts at Apple, but never contact -- never of
10:57:13 7 that nature.
10:57:14 8 Q. How about Intel?
10:57:16 9 A. I was in a group that -- there was --
10:57:20 10 there was a group of compensation professionals in
10:57:23 11 the -- in the valley that were focused on --
10:57:25 12 primarily on equity compensation and primarily
10:57:29 13 focused on equity compensation outside the U.S.
10:57:32 14 Intel did participate in that group, and so we may
10:57:35 15 have discussed things like merit budgets and
10:57:38 16 things in some of those conversations.
10:57:40 17 Q. Okay. What about Adobe? Did you have a
10:57:44 18 colleague there that you would speak with about
10:57:47 19 these issues?
10:57:47 20 A. No.
10:57:49 21 Q. Lucasfilm?
10:57:50 22 A. No.
10:57:51 23 Q. Pixar?
10:57:52 24 A. No.
10:59:03 25 MS. DERMODY: Is that 2735?

10:59:05 1 THE REPORTER: Yes.

10:59:05 2 MS. DERMODY: Thanks.

10:59:06 3 (Whereupon, Deposition Exhibit 2735
10:59:06 4 was marked for identification.)

10:59:05 5 BY MS. DERMODY:

10:59:06 6 Q. Mr. Stubblefield, the document we've
10:59:07 7 just marked as Exhibit 2735 has a number below.
10:59:13 8 It's a Google document that starts 480 --

10:59:17 9 MR. KIERNAN: Can I -- I hate to do
10:59:18 10 this. It's marked attorney's eyes only from
10:59:22 11 Google.

10:59:23 12 MS. DERMODY: His name is on the
10:59:24 13 document.

10:59:25 14 MR. KIERNAN: On the top?

10:59:27 15 MS. DERMODY: Yeah.

10:59:27 16 MR. KIERNAN: Okay. All right. I'm
10:59:28 17 just making sure.

10:59:30 18 BY MS. DERMODY:

10:59:32 19 Q. Anyway, it's marked -480249.

10:59:35 20 Do you see that?

10:59:36 21 A. I do.

10:59:37 22 Q. And do you recognize this document?

10:59:40 23 A. I don't. I can't say I recognize it
10:59:42 24 specifically. It's from a long time ago. But you
10:59:46 25 asked about Adobe. So Adobe was also in the

10:59:49 1 group, the silicon -- the group that was focused
10:59:52 2 on equity practices, so Adobe was in that group.

10:59:55 3 Q. Okay. And if you look at this e-mail,
10:59:59 4 the top e-mail from Jim Johnson at Seagate, which
11:00:02 5 is sent to a number of people, and you're copied
11:00:06 6 on that, do you see that?

11:00:07 7 A. I do see that.

11:00:08 8 Q. It attaches another e-mail below where
11:00:10 9 the e-mail addresses of the recipients are spelled
11:00:13 10 out.

11:00:13 11 Do you see that?

11:00:14 12 A. I do see that.

11:00:15 13 Q. Does this refresh your recollection that
11:00:16 14 in that group was a woman from Apple?

11:00:20 15 A. Yes, I do see that.

11:00:22 16 Q. And a woman from Adobe?

11:00:23 17 A. Yes.

11:00:25 18 Q. And a woman from Intel?

11:00:30 19 A. Yes.

11:00:33 20 Q. And was -- were those people all in this
11:00:35 21 group that you mentioned as the group of Silicon
11:00:37 22 Valley HR people that would communicate about
11:00:42 23 different comp issues?

11:00:43 24 MR. KIERNAN: Object to form.

11:00:47 25 THE WITNESS: Some of them were.

11:00:47 1 There's some of the names on here that I don't
11:00:50 2 recognize from that group, so they may have been
11:00:52 3 communications from someone else. So the name
11:00:57 4 from Apple, the name from Adobe I do recognize
11:00:59 5 being in the group. The one from Intel I actually
11:01:02 6 don't recognize. That's not a person I'm familiar
11:01:04 7 with.

11:01:06 8 BY MS. DERMODY:

11:01:23 9 Q. You see also there's a Mr. Wagner from
11:01:26 10 Google? Do you see that?

11:01:27 11 A. I do see that.

11:01:28 12 Q. Does that refresh your recollection
11:01:30 13 Mr. Wagner was also on that group?

11:01:32 14 A. I don't believe I know Mr. Wagner.

11:01:34 15 Q. Do you recall him being part of a group
11:01:36 16 of e-mails with other people in the valley about
11:01:39 17 different compensation issues?

11:01:41 18 A. I see it on here. I can't say I recall
11:01:45 19 it. I don't believe I know him. It's been five
11:01:47 20 years ago, so not someone that I -- that I recall.

11:01:52 21 (Whereupon, Deposition Exhibit 2736
11:01:52 22 was marked for identification.)

11:02:43 23 BY MS. DERMODY:

11:02:44 24 Q. Mr. Stubblefield, there's another
11:02:45 25 document placed in front of you, it's marked 1736

11:02:48 1 [sic]. This one comes from the Intuit file and
11:02:52 2 should have the number 53086 in the front. Do you
11:02:54 3 see that?

11:02:55 4 A. Yes, I do.

11:02:58 5 Q. And is this an e-mail sent from
11:03:01 6 Mr. Grenier -- Grenier?

11:03:06 7 A. Grenier.

11:03:07 8 Q. -- Grenier to you and Mr. Parrish --
11:03:14 9 excuse me, Mr. Pullen?

11:03:16 10 A. Yes.

11:03:16 11 Q. And this is attaching another e-mail
11:03:21 12 which is from someone at Macromedia with a
11:03:24 13 subject, "Incentive Compensation structure for
11:03:26 14 Sales Executives."

11:03:28 15 Do you see that?

11:03:28 16 A. Yes, I do.

11:03:29 17 Q. And in the list of people in this e-mail
11:03:32 18 from the person at Macromedia, there's a recipient
11:03:38 19 at Adobe.

11:03:39 20 Do you see that?

11:03:43 21 A. Yes.

11:03:44 22 Q. And at Google.

11:03:46 23 Do you see that?

11:03:46 24 A. Yes.

11:03:46 25 Q. And do you recognize those people as

11:03:49 1 being part of this Silicon Valley group that
11:03:50 2 discussed different compensation issues?

11:03:52 3 MR. KIERNAN: Object to form.

11:03:56 4 THE WITNESS: No, I do not.

11:03:57 5 BY MS. DERMODY:

11:03:57 6 Q. Do you know who kpoole is at Google?

11:04:00 7 A. No, I do not.

11:04:01 8 Q. Do you know who Ellens is at Adobe?

11:04:04 9 A. Maybe. I think so.

11:04:07 10 Q. Okay. And who is that?

11:04:10 11 A. I think it's Ellen Sworthouse, but I'm
11:04:14 12 not positive.

11:04:16 13 Q. As indicated in this message from the
11:04:17 14 Macromedia person, she says:

11:04:22 15 "As part of our FY06
11:04:24 16 Executive Sales Compensation Plan
11:04:26 17 design process I am interested in
11:04:29 18 a brief confidential data exchange
11:04:31 19 with you. We will use this
11:04:33 20 information along with other
11:04:34 21 market information (i.e. Radford)
11:04:37 22 to compare our plan against market
11:04:39 23 practice. I will summarize the
11:04:40 24 findings and share them with those
11:04:43 25 of you who respond."

11:04:44 1 Do you see that?

11:04:44 2 A. Yes.

11:04:45 3 Q. Do you recall there being an exchange
11:04:47 4 about incentive compensation for sales executives?

11:04:50 5 A. I -- I don't recall.

11:04:52 6 Q. Do you know if you participated in this?

11:04:54 7 A. I don't know.

11:04:55 8 Q. Is this something that you would
11:04:56 9 normally have participated in?

11:04:59 10 A. It might be.

11:05:01 11 Q. And do you recall there being occasions
11:05:04 12 where you exchange information about specific
11:05:07 13 types of employee compensation with other
11:05:09 14 companies?

11:05:10 15 MR. KIERNAN: Object to form.

11:05:11 16 THE WITNESS: Questions like this,
11:05:19 17 you've seen another example of questions like this
11:05:21 18 were not uncommon or not uncommon to try to get
11:05:24 19 information. I wouldn't say that they're about
11:05:25 20 specific employees. They might be about a group
11:05:28 21 of employees. And they were generally at a broad
11:05:29 22 level of what are your practices in these areas.
11:05:32 23 So, yes, I recall things like that happening and I
11:05:34 24 can't tell you specifics.

11:05:36 25 BY MS. DERMODY:

11:05:36 1 Q. Okay. And do you recall there being
11:05:38 2 communications where there were exchanges about
11:05:41 3 compensation ranges or compensation approaches for
11:05:44 4 different groups of employees to share with other
11:05:46 5 companies in the valley?

11:05:50 6 A. I don't recall any specific examples of
11:05:52 7 things like that.

11:05:54 8 Q. Even though you can't recall the
11:05:56 9 specific example, do you recall that that
11:05:58 10 happened?

11:06:02 11 A. There were exchanges around practices
11:06:04 12 and things like this. I don't recall situations
11:06:07 13 around specific ranges of compensation for
11:06:10 14 employees. I wouldn't say it didn't happen, but I
11:06:12 15 don't recall that happening.

11:06:14 16 Q. Okay. In addition to the e-mail group
11:06:25 17 that you were part of with other companies in the
11:06:28 18 valley, did you have occasion to go to dinner or
11:06:32 19 socialize with groups of HR professionals from
11:06:35 20 other Silicon Valley companies?

11:06:39 21 A. It wasn't actually an e-mail group. It
11:06:42 22 was a group that met live about once every two
11:06:44 23 months, and then e-mail might be a method of
11:06:47 24 follow-up if there were things that came out
11:06:49 25 afterwards. But it was a group that met

11:06:52 1 specifically to talk about equity issues. There
11:06:53 2 may have been some social aspects attached to
11:06:56 3 that. I don't recall going out to dinner with
11:06:58 4 anyone else regularly or things like that. There
11:06:59 5 are conferences and things like that that exist in
11:07:01 6 the valley that have a social aspect to them.

11:07:05 7 Q. And did the group you met with every two
11:07:07 8 months have a name to it?

11:07:08 9 A. It was called the -- I want to say it
11:07:13 10 was called the Silicon Valley Global Equity Forum,
11:07:16 11 or something like that. So it did have a formal
11:07:19 12 name and it was a formal group.

11:07:25 13 Q. And do you recall, in connection with
11:07:26 14 that group meeting, there being discussions of
11:07:29 15 compensation below the executive level?

11:07:34 16 A. The focus of the group was primarily on
11:07:36 17 equity practices outside the U.S., and it would
11:07:38 18 have been beyond executives.

11:07:41 19 Q. And how about discussions involving
11:07:43 20 domestic workers?

11:07:44 21 A. The focus was primarily around equity,
11:07:46 22 and it would have included -- would have included
11:07:48 23 workers. It was primarily outside the U.S. It
11:07:51 24 would have had occasions where the U.S. practices
11:07:53 25 would have come into that as well.

11:09:07 1 A. It -- it actually had started prior to
11:09:08 2 that, so it was a group that I had participated
11:09:12 3 with when I was at NetApp, and so it started
11:09:16 4 sometime prior to that. I don't remember exactly
11:09:17 5 when it started and I don't remember -- I don't
11:09:20 6 know how it evolved over the years after that
11:09:22 7 either.

11:09:23 8 Q. And was that group continuing to meet at
11:09:27 9 the time you moved into the HR business partner
11:09:29 10 role in 2008?

11:09:31 11 A. The formal group itself did. I don't
11:09:34 12 believe Intuit continued to participate in it.

11:09:36 13 Q. Do you know when Intuit stopped
11:09:37 14 participating in it?

11:09:39 15 A. I think Intuit stopped participating
11:09:40 16 when I moved out of the role.

11:09:42 17 MS. DERMODY: Okay. I promised you a
11:09:55 18 break every hour, so let's take a break.

11:09:59 19 MR. KIERNAN: Yeah. Good.

11:10:01 20 THE VIDEOGRAPHER: This is the end of
11:10:01 21 Video Number 1. The time is 11:10 a.m. We are
11:10:04 22 going off the record.

11:10:10 23 (Whereupon, a recess was taken.)

11:23:31 24 THE VIDEOGRAPHER: This is the beginning
11:23:32 25 of Video Number 2 in the deposition of Mason

11:23:35 1 Stubblefield. The time is 11:23 a.m. We're back
11:23:38 2 on the record.

11:23:39 3 BY MS. DERMODY:

11:23:40 4 Q. Mr. Stubblefield, at some point in that
11:23:44 5 2005/2008 time period, were you involved in
11:23:47 6 developing what we called a proxy peer group for
11:23:51 7 Intuit?

11:23:51 8 A. Yes.

11:23:52 9 Q. And what was that?

11:23:56 10 A. What was the proxy peer group?

11:23:59 11 Q. Yes.

11:23:59 12 A. From an executive compensation
11:24:00 13 perspective, we look at a group of proxy peers,
11:24:03 14 which is essentially what our shareholders are
11:24:05 15 looking at to evaluate our executive compensation
11:24:08 16 decisions.

11:24:08 17 Q. And do you recall who was included among
11:24:10 18 your proxy peers?

11:24:11 19 A. I don't recall specifically all the
11:24:13 20 companies at this point.

11:24:14 21 Q. Okay. Do you recall if Intel was part
11:24:16 22 of that group?

11:24:16 23 A. I don't recall specific names.

11:24:20 24 Q. Adobe?

11:24:20 25 A. Like I said, I don't recall specific

11:24:22 1 names. There was 20, 25 companies that were in
11:24:24 2 it.

11:24:25 3 Q. Okay. And what was the process you went
11:24:28 4 through to come up with that list?

11:24:33 5 A. We used a few different things. Some of
11:24:35 6 it was input from our own organization on who we
11:24:39 7 saw as talent peers and who we were competing
11:24:42 8 against for talent in the organization, across
11:24:44 9 executive talent. Part of it was also working
11:24:47 10 with the compensation consultants that we used for
11:24:49 11 executive compensation, which at the time was
11:24:51 12 Watson Wyatt, and getting input from them in
11:24:54 13 helping us develop who that proxy peer group would
11:24:58 14 be. That was reviewed with the compensation and
11:24:59 15 organization development committee of the board
11:25:01 16 and ultimately approved by them as a peer group.

11:25:08 17 Q. And do you recall in that same time
11:25:10 18 period who were considered to be the talent peers
11:25:12 19 for Intuit?

11:25:14 20 A. I don't recall specific companies. It
11:25:17 21 varies by -- Intuit's a collection of different
11:25:20 22 business units, and those peers would vary quite a
11:25:23 23 bit by business unit.

11:25:25 24 Q. Do you recall any of the companies?

11:25:28 25 A. I can think of a few names that would

11:25:30 1 probably come up with a valley perspective, but we
11:25:32 2 would also look at other companies outside.
11:25:34 3 Companies like Paychecks or ADP from a payroll
11:25:37 4 perspective. Companies like Yahoo!, eBay may
11:25:40 5 have been -- would have been in the group. NetApp
11:25:43 6 was in the group at one point.

11:25:45 7 Q. What about Google?

11:25:47 8 A. Google would probably have been in the
11:25:48 9 group as well.

11:25:49 10 Q. How about Intel?

11:25:51 11 A. I don't recall specifically about Intel.

11:25:53 12 Q. Okay. Adobe?

11:25:55 13 A. Like I said, I don't recall specifically
11:25:56 14 about Adobe. So being a software company, we
11:26:00 15 looked at other software companies, again, looking
11:26:03 16 at different parts of our business.

11:26:08 17 Q. Do you recall if Apple was part of that
11:26:10 18 group?

11:26:11 19 A. I don't recall the specific names of
11:26:12 20 companies that were in the group.

11:27:04 21 Q. I can't tell from the transcript if this
11:27:05 22 was captured. I asked you about Google being in
11:27:08 23 that group.

11:27:09 24 Is it your testimony that Google would
11:27:11 25 have been in that peer talent group?

11:27:14 1 A. I don't recall specifically who the
11:27:15 2 companies were in the peer group.

11:27:16 3 (Whereupon, Deposition Exhibit 2737
11:27:16 4 was marked for identification.)

11:27:32 5 BY MS. DERMODY:

11:27:37 6 Q. The document that's been marked 2737
11:27:40 7 should have an Intuit number -53096.

11:27:43 8 Do you see that?

11:27:44 9 A. Yes, I do.

11:27:45 10 Q. And is this an e-mail from Mr. Grenier
11:27:49 11 to you from June 28, 2005?

11:27:53 12 A. Yes, it is.

11:27:55 13 Q. And if you look down at the attached
11:27:58 14 e-mail, there's an e-mail from you to various
11:28:03 15 people listing companies that -- it says you got
11:28:12 16 from our executive recruiting leader, and it has a
11:28:14 17 list of companies and then local competition for
11:28:17 18 talent.

11:28:17 19 Do you see that?

11:28:18 20 A. Yes, I see that.

11:28:19 21 Q. Do you see Google on that list?

11:28:20 22 A. Yes, I do see Google on the list.

11:28:22 23 Q. Does that refresh your recollection that
11:28:24 24 Google was on that talent peer list?

11:28:26 25 A. Like I said, I don't recall. So I see

11:28:28 1 it here, but I don't recall specifically.

11:28:34 2 Q. Do you recall developing lists like this
11:28:37 3 as reflected in Exhibit 2737?

11:28:41 4 A. I see that I did it here, and like I
11:28:44 5 say, this was -- the two people that messages were
11:28:47 6 sent to were from Watson Wyatt in working on the
11:28:50 7 proxy peer list, but I don't recall the specific
11:28:53 8 steps or activity doing it, no.

11:29:11 9 Q. Did you have occasion in the 2005 to
11:29:16 10 2008 time period, when you were working in the
11:29:19 11 compensation area or after that, when you were an
11:29:22 12 HR business partner, to assist with counteroffers
11:29:25 13 for Intuit employees who might have been recruited
11:29:27 14 elsewhere?

11:29:30 15 A. Yes.

11:29:30 16 Q. And tell me, was that the entire time
11:29:32 17 period, or was that only when you were an HR
11:29:35 18 business partner?

11:29:37 19 A. It may have happened in some situations
11:29:39 20 as a compensation consultant or adviser, so may
11:29:43 21 have happened in some cases in both roles.

11:29:49 22 Q. When you were in the compensation role,
11:29:51 23 what was your contribution to the counteroffer
11:29:55 24 discussion, if that was happening?

11:29:59 25 A. Intuit's approach in general is not to

11:30:02 1 do counteroffers. So culturally, we don't believe
11:30:06 2 it's the right thing to do. So in some cases, my
11:30:09 3 role would have been to reiterate that
11:30:10 4 perspective. If I got a contact from someone who
11:30:13 5 was saying that an employee had an offer from
11:30:14 6 someone else and was considering leaving and what
11:30:17 7 would we do about it, I may have been coaching
11:30:20 8 them on our approach or philosophy, or I might
11:30:22 9 have been providing them some insight or
11:30:25 10 perspective on something they were considering
11:30:28 11 doing.

11:30:28 12 Q. And do you recall there being occasions
11:30:29 13 when you assisted in providing them information to
11:30:33 14 give a monetary counteroffer?

11:30:37 15 A. I don't recall any -- any specific
11:30:38 16 situations.

11:30:40 17 Q. Do you recall that happening if you
11:30:41 18 don't recall the specifics?

11:30:48 19 A. I guess -- help me with more -- I
11:30:50 20 don't -- so I don't recall specific situation
11:30:53 21 of -- I don't recall a conversation like that. My
11:30:57 22 role may have been -- would have been to give them
11:30:59 23 some perspective around compensation, and thinking
11:31:02 24 about a variety of things that could be done as
11:31:04 25 a -- as a response to someone considering leaving

11:31:07 1 the organization.

11:31:08 2 Q. Okay. And was one of those strategies
11:31:11 3 to give the person more money?

11:31:14 4 A. Generally, that would not be our
11:31:16 5 approach. Like I said earlier, culturally we
11:31:19 6 don't think that's the right statement to make.
11:31:20 7 If someone's used -- thinking about leaving the
11:31:22 8 organization, they are generally thinking about
11:31:25 9 leaving for a variety of reasons. Compensation
11:31:26 10 usually becomes the excuse, but it's rarely the
11:31:29 11 root cause and the real reason.

11:31:30 12 So our approach would generally not be
11:31:32 13 to respond with compensation. We would try to
11:31:34 14 understand what the key factors were, what the
11:31:37 15 root cause was for the person considering leaving.
11:31:39 16 Might be job content. Might be a number of other
11:31:41 17 factors.

11:31:42 18 We might consider using retention
11:31:44 19 bonuses in some cases to try to get someone to
11:31:46 20 stay. We might have looked at giving someone an
11:31:49 21 increase in their base pay if the manager thought
11:31:52 22 that was an appropriate thing to do.

11:31:56 23 Q. And what is a retention bonus, or what
11:31:58 24 was it in that time period?

11:32:00 25 A. Retention bonus would be an opportunity

11:32:02 1 for an incremental cash payment at some point in
11:32:05 2 the future if an individual stayed through that
11:32:07 3 time period.

11:32:20 4 Q. And do you recall how you determined
11:32:21 5 what the amount of that kind of cash payment would
11:32:23 6 be?

11:32:26 7 A. There would be various different ways to
11:32:29 8 look at it. All of our employees, majority of our
11:32:31 9 employees have some type of annual incentive
11:32:35 10 opportunity, and we would use that as a
11:32:37 11 calibration point. So it might be an amount that
11:32:38 12 was similar to that.

11:32:40 13 Q. Can you explain what you mean by that?

11:32:42 14 A. Employees have a bonus target or
11:32:44 15 incentive target. So as an example, the incentive
11:32:46 16 target might be 10 percent of their salary. We
11:32:49 17 might use that as a guide. We would use that as a
11:32:52 18 guide to think about an incremental bonus that
11:32:55 19 would be meaningful for the employee to, you know,
11:32:58 20 help convince them or persuade them to stay.

11:33:08 21 Q. Okay. And then when you moved into the
11:33:11 22 HR business partner role, did your responsibility
11:33:15 23 with respect to counteroffers change?

11:33:20 24 A. The role with it would still be a
11:33:22 25 consulting role with the business leader in trying

11:33:25 1 to help them think through ways to respond to a
11:33:27 2 situation. The nature of the role would be
11:33:29 3 different from being the compensation professional
11:33:31 4 to being their HR business partner, but still a
11:33:34 5 consultive role.

11:33:37 6 Q. Do you recall situations coming up when
11:33:38 7 you were in the HR business partner role where an
11:33:40 8 employee was looking elsewhere and the
11:33:45 9 counteroffer question was raised?

11:33:49 10 A. I don't recall any situations like that.

11:33:52 11 Q. Even if you can't recall specifics, do
11:33:54 12 you recall it happening?

11:33:55 13 A. I don't recall it happening.

11:33:57 14 Q. Okay. Is it your testimony that it
11:34:08 15 didn't happen or that you don't recall that it
11:34:10 16 happened?

11:34:10 17 A. It's that I don't recall.

11:34:11 18 Q. Okay. You've described a number of
11:34:42 19 categories of compensation; base salary, bonus and
11:34:49 20 equity being the main three. Is that correct?

11:34:52 21 A. Yes.

11:34:52 22 Q. And then there are opportunities for
11:34:55 23 other types of awards in the company; is that
11:34:57 24 correct?

11:35:00 25 A. Help me with how you define "awards."

11:35:03 1 Q. Sure.

11:35:04 2 Are there other monetary awards for
11:35:06 3 employees in the company? And I'll stick with the
11:35:08 4 2005 to 2009 time period.

11:35:11 5 A. So we have a recognition program that
11:35:14 6 provides monetary value for specific events,
11:35:17 7 specific results, behaviors, things from
11:35:20 8 employees. We talked a bit about retention
11:35:25 9 bonuses, which would also be a monetary reward
11:35:27 10 that could -- is used in some situations, would be
11:35:30 11 available for employees.

11:35:35 12 Q. In terms of the recognition program,
11:35:38 13 again, sticking with the earlier time period than
11:35:41 14 now, what program or programs existed that had
11:35:45 15 compensation as a -- as a form of the reward?

11:35:51 16 A. With the recognition program
11:35:52 17 specifically?

11:35:52 18 Q. Yes.

11:35:55 19 A. The recognition program provides most
11:35:59 20 anyone in the organization an opportunity to
11:36:01 21 provide some value as recognition for a
11:36:04 22 contribution from someone else in the
11:36:06 23 organization. In most cases, that's not cash.
11:36:10 24 It's actually done in the form of gift
11:36:13 25 certificates. More like gift certificates or gift

11:36:16 1 cards where it's value and the person -- the
11:36:18 2 recipient turns that value into something that
11:36:21 3 they could keep as a more memorable item for the
11:36:25 4 recognition versus it just being cash. It's got
11:36:27 5 monetary value.

11:36:29 6 Q. Is that the spotlight program?

11:36:31 7 A. Yes, that's the spotlight program.

11:36:38 8 Q. And is there a range of value with these
11:36:41 9 gift certificates?

11:36:41 10 A. Yes.

11:36:43 11 Q. What would be the range?

11:36:46 12 A. \$50 to \$500 to a monetary value of a
11:36:55 13 trip that could be a couple thousand dollars.

11:37:03 14 Q. And for how long has the spotlight
11:37:05 15 program been around?

11:37:09 16 A. I don't know exactly when it started,
11:37:10 17 but it's been a key part of Intuit's compensation
11:37:13 18 approach for a number of years. Ten years or
11:37:15 19 more.

11:37:16 20 Q. Okay. So prior to your time maybe?

11:37:18 21 A. Yes. There was a recognition program
11:37:20 22 prior to my joining.

11:37:23 23 Q. And do you know if retention bonuses
11:37:26 24 have ever been allocated to employees proactively
11:37:33 25 before there's even a counteroffer or another

11:37:36 1 offer out there for that employee?

11:37:38 2 A. Yes.

11:37:39 3 Q. And describe those situations.

11:37:43 4 A. There's been situations in -- a few
11:37:47 5 different situations I can think of if there were
11:37:49 6 changes happening in a business, and we were
11:37:52 7 concerned that those changes in the business might
11:37:54 8 prompt attrition or contribute to attrition, we've
11:37:57 9 used proactive retention bonuses to try to lock
11:38:00 10 those employees for a given period of time.

11:38:04 11 If there were concerns about specific
11:38:05 12 skills or talent that were critical for us for a
11:38:09 13 project, we've used retention bonuses to try to
11:38:12 14 incent those employees to stay through the
11:38:16 15 completion of that project with the hope that
11:38:16 16 they'd stay much longer than that.

11:38:19 17 If we saw attrition in some area, we'd
11:38:23 18 use -- we use retention bonuses proactively to try
11:38:27 19 to secure, lock in, create the incentive for other
11:38:31 20 talent to stay.

11:38:35 21 Q. And has that been the practice going
11:38:37 22 back to when you started in 2004?

11:38:41 23 MR. KIERNAN: Object to form.

11:38:46 24 THE WITNESS: Intuit's pretty
11:38:48 25 consistently provided a variety of tools for

11:38:49 1 managers to use at their discretion as they need
11:38:52 2 them to. So we've had retention bonuses where a
11:38:56 3 tool that goes back to -- the start of my time as
11:38:58 4 one of the tools that was out there. We primarily
11:39:01 5 use equity as our retention vehicle, and it's been
11:39:05 6 out there as well.

11:39:06 7 BY MS. DERMODY:

11:39:07 8 Q. And is equity something that you have
11:39:10 9 used proactively to keep talent notwithstanding
11:39:15 10 any other offer that they might have in the
11:39:17 11 market?

11:39:21 12 MR. KIERNAN: Object to form.

11:39:23 13 THE WITNESS: Intuit includes equity as
11:39:25 14 part of the annual talent and pay process, and
11:39:28 15 based on the performance ratings, retention
11:39:31 16 ratings, employees are given a value of equity.

11:39:34 17 And so I would say in a lot of respects
11:39:36 18 that is a proactive retention tool. So it's not
11:39:39 19 in response to anything other than the performance
11:39:41 20 and what we see as their value going forward.

11:39:57 21 BY MS. DERMODY:

11:39:57 22 Q. And I think you testified earlier that
11:39:58 23 the compensation, including decisions about
11:40:01 24 equity, are generally made once a year; is that
11:40:04 25 right?

11:40:06 1 A. Yes.

11:40:09 2 Q. Have you been aware of any decisions to
11:40:11 3 do midyear equity grants or midyear bonuses for a
11:40:16 4 group of people?

11:40:18 5 A. I'm aware of a situation where Intuit
11:40:20 6 changed its process on equity and did equity
11:40:23 7 grants at midyear. I'm not aware of any
11:40:26 8 situations where midyear bonuses were granted to
11:40:29 9 anyone.

11:40:29 10 Q. Okay. What was the midyear equity
11:40:33 11 grant?

11:40:34 12 A. I think it was in 2008. I'm not sure on
11:40:40 13 the year. I think it was in 2008, a decision was
11:40:43 14 made to shift the equity grants from the normal
11:40:46 15 time period of July or August to February.

11:40:51 16 Q. So that wasn't an additional grant in
11:40:53 17 that cycle; it was just changing the time period
11:40:55 18 of that grant?

11:40:58 19 A. That's correct. It just shifted the
11:40:59 20 time frame.

11:40:59 21 Q. And are you aware of any groups of
11:41:01 22 employees being identified to receive additional
11:41:05 23 equity grants outside the normal cycle?

11:41:07 24 A. Yes. I'm aware of some situations where
11:41:09 25 that's been done.

11:41:11 1 Q. Okay. And describe those.

11:41:12 2 A. They'd be situations, oh, kind of like I
11:41:14 3 described before from a retention perspective. If
11:41:16 4 we saw attrition with a group of employees or a
11:41:19 5 certain skill set and we were concerned about
11:41:21 6 that, we'd use proactive equity grants with others
11:41:24 7 that we're seeing this top talent to try to incent
11:41:28 8 them to stay or use as another retention tool.

11:41:32 9 Q. Is that something that you've seen
11:41:34 10 happen going back to the 2005 time period?

11:41:40 11 A. I don't recall it happening -- it's not
11:41:42 12 something that happens very often inside the
11:41:43 13 organization. I can think of one situation where
11:41:45 14 it happened -- where it's happened, and that was
11:41:48 15 more recent.

11:41:49 16 Q. Okay. What was that situation?

11:41:50 17 A. It was with our marketing organization
11:41:52 18 where we were seeing slightly higher attrition in
11:41:55 19 marketing and were concerned about it, and so we
11:41:57 20 had the managers identify specific employees that
11:42:00 21 they saw as being key for them, and manager
11:42:04 22 discretion to nominate or recognize them, and a
11:42:06 23 small group were given some additional grants.

11:42:19 24 Q. And do you know, were these employees
11:42:20 25 that had threatened to leave?

11:42:25 1 A. I don't know. It was a proactive move
11:42:28 2 taken by the marketing leader, and the -- and the
11:42:31 3 staff across the marketing organization, in
11:42:33 4 looking at key skills, and trying to send them a
11:42:37 5 strong message about how we valued them.

11:42:45 6 Q. And you said that happened more
11:42:46 7 recently, this past year, two years ago?

11:42:50 8 A. Within the last year.

11:42:51 9 Q. Okay. And do you recall other
11:42:52 10 situations happening before that?

11:42:56 11 A. I don't recall other situations like
11:42:59 12 that.

11:43:01 13 Q. Is it possible that they happened but
11:43:04 14 you don't know? Is that --

11:43:05 15 A. Sure, it's possible.

11:43:30 16 Q. Are there any other strategies that
11:43:32 17 you're aware Intuit has used to proactively retain
11:43:37 18 key talent?

11:43:40 19 A. Yes.

11:43:41 20 Q. And can you describe those that are
11:43:44 21 compensation-based?

11:43:46 22 A. Most of the others would not be
11:43:48 23 compensation-based.

11:43:49 24 Q. Okay. Are those more work
11:43:54 25 assignment-based?

11:52:00 1 table inside that system and how values were set.

11:52:02 2 So it's a screen shot of PeopleSoft.

11:52:05 3 Q. Okay.

11:52:05 4 A. So this document on its own could never
11:52:08 5 have been produced by itself just based on it
11:52:10 6 being a collection of different things.

11:52:11 7 Q. Okay. On that nine blocker control
11:52:17 8 section --

11:52:17 9 A. Yes.

11:52:17 10 Q. -- can you just walk me through what the
11:52:19 11 different columns are?

11:52:28 12 A. I'll try.

11:52:29 13 So the first piece is just a value
11:52:31 14 that's kind of used behind the scenes to connect
11:52:35 15 based on a certain set of employee circumstances
11:52:37 16 what parameters or what values would show up in a
11:52:40 17 calculation that's done within the system. So
11:52:42 18 it's just a value that's attached.

11:52:46 19 So the group values -- based on a group
11:52:49 20 value, it attaches to different things here. The
11:52:51 21 group value essentially attaches to a combination
11:52:53 22 of a performance rating and a retention rating for
11:52:56 23 an employee.

11:52:59 24 The eligibility, I don't recall exactly
11:53:01 25 what O meant in the system. T is -- was targeted.

11:53:05 1 It just kind of drove, again, what was there from
11:53:08 2 an equity perspective if someone would be
11:53:10 3 participating in the program or not.

11:53:12 4 The multiplier was a multiplier off of a
11:53:15 5 base and how we scale grants to increase the
11:53:19 6 grants for higher performance and higher retention
11:53:21 7 employees.

11:53:22 8 Then the next two columns were
11:53:24 9 guidelines around shares and just kind of a base
11:53:27 10 set of guidelines of what we would expect someone
11:53:31 11 to get in those -- those criteria.

11:53:36 12 Q. Okay. I'm not sure if the page that
11:53:42 13 follows is an excerpt from the very last page or
11:53:48 14 these are different things.

11:53:51 15 A. It's similar to what's on the very last
11:53:53 16 page, and so it may have been -- it may have been
11:53:56 17 part of a working product to get to what would end
11:53:59 18 up on that last page. So it's from an Excel file
11:54:02 19 and it was essentially a way to build or manage
11:54:05 20 the targets that got put back into the control
11:54:07 21 table, the nine block control table.

11:54:10 22 This would be the basis for having --
11:54:12 23 having an input document to put those -- those
11:54:16 24 values into the system. And then the last page,
11:54:19 25 the last page is a set of guidelines for what we

11:54:22 1 would expect as focal equity targets for different
11:54:27 2 levels of employees, different compensation
11:54:29 3 levels, and then the groups here tie back to those
11:54:32 4 groups from the control table. This is a document
11:54:38 5 that was used to build the system or to structure
11:54:40 6 values in the system.

11:54:41 7 Q. Okay. So if you were to take -- under
11:54:53 8 the position where it says VP, we'll do the top
11:54:56 9 line.

11:54:58 10 A. Okay.

11:54:58 11 Q. 300,000 plus, what is the 20,000 there?
11:55:01 12 Is that a guideline for the equity grant?

11:55:04 13 A. A target number of stock options that
11:55:06 14 would be granted.

11:55:07 15 Q. Okay. And going over to that middle
11:55:10 16 column where it's I guess California/Massachusetts
11:55:14 17 locations; is that fair?

11:55:16 18 A. Yes.

11:55:16 19 Q. Are the groups corresponding to ratings
11:55:20 20 people are receiving or something different?

11:55:22 21 A. The groups correspond to the combination
11:55:24 22 of a performance rating and a retention rating.

11:55:34 23 Q. So if I'm trying to read that -- that VP
11:55:37 24 level at 300,000, is the guideline that if they
11:55:42 25 are rated a two level, the stock grant would be

11:55:48 1 33,000 as opposed to 20,000?

11:55:50 2 A. Yes.

11:55:51 3 Q. Okay.

11:55:52 4 A. That's correct.

11:56:38 5 Q. Mr. Stubblefield, the document placed in
11:56:39 6 front of you should have a number in the front,
11:56:41 7 Exhibit 1761.

11:56:44 8 Do you see that?

11:56:44 9 A. Yes.

11:56:47 10 Q. If you'll open to the next page of it,
11:56:53 11 it starts what appears to be a PowerPoint, or
11:56:55 12 something like that, a presentation of some sort.

11:56:58 13 Do you recognize what this is?

11:57:01 14 A. So in looking at the presentation, I'm
11:57:04 15 familiar with it. I don't remember the -- I don't
11:57:06 16 know the exact context of how this was used.

11:57:09 17 Q. If you look on the second page, there
11:57:12 18 are page numbers in the lower left corner.

11:57:16 19 A. Yes.

11:57:16 20 Q. Might be helpful.

11:57:18 21 You'll see that there is a date in the
11:57:19 22 middle where it says January 7, 2005.

11:57:22 23 Do you see that?

11:57:23 24 A. Yes.

11:57:24 25 Q. And do you know in this time period who

11:57:26 1 would have created this document?

11:57:29 2 A. I -- I don't know for sure who would
11:57:31 3 have created it.

11:57:32 4 Q. This would have come out of the
11:57:34 5 compensation area presumably; is that correct?

11:57:36 6 A. Yes. Probably.

11:57:53 7 Q. If you could go to page 12 of the
11:57:56 8 document. Do you recognize what this is?

11:58:04 9 A. Yes.

11:58:05 10 Q. And what is this?

11:58:07 11 A. Within Intuit, we provided market
11:58:10 12 reference data to our employees. We were talking
11:58:12 13 earlier about the survey data and how we collect
11:58:15 14 that, so we provide that market reference data.
11:58:17 15 This is a screen shot of an internal tool, a quick
11:58:22 16 base that we use that provides that data or
11:58:25 17 displays that data back for our leaders so that
11:58:28 18 they can use it as a reference point.

11:58:30 19 It's structured by job code, so you see
11:58:33 20 job codes listed down at the bottom. Then it
11:58:35 21 shows three different columns on base pay and then
11:58:38 22 three different columns right -- on the left side
11:58:41 23 and on the far right, three different columns
11:58:44 24 around total target cash, as well as in the middle
11:58:46 25 showing the incentive eligibility they have inside

11:58:48 1 of Intuit and what our typical target incentive is
11:58:52 2 for the role.

11:59:00 3 Q. Is the total target cash column
11:59:02 4 including any equity, or is that purely the base
11:59:07 5 plus bonus?

11:59:07 6 A. It's purely base plus bonus.

11:59:12 7 Q. And was this tool primarily used to
11:59:15 8 provide job offers to external candidates, or was
11:59:18 9 it used for other reasons too?

11:59:21 10 A. This tool is a resource to help managers
11:59:24 11 understand external market perspective and would
11:59:26 12 be used -- could be used as a tool for them to
11:59:29 13 help in a reference point in making an offer,
11:59:32 14 would be used as a reference point in making
11:59:34 15 annual pay decisions as well.

11:59:50 16 Q. Is there a tool that shows a manager
11:59:52 17 what the internal pay is, the high-low for
11:59:58 18 different jobs?

11:59:59 19 A. The compensation team does not provide a
12:00:01 20 tool like that.

12:00:04 21 Q. Do managers have access to what their
12:00:07 22 employees are making that they can look at?

12:00:09 23 A. Managers have access to what their own
12:00:11 24 employees make.

12:00:21 25 Q. If you could please turn to page 18.

12:00:30 1 And it should say "Development Bands:
12:00:33 2 Job Progression on a Career Track."

12:00:36 3 Is that what you're looking at?

12:00:38 4 A. Yes, it is.

12:00:39 5 Q. Can you explain what this is?

12:00:43 6 A. Intuit uses the idea of development
12:00:45 7 bands to help from a learning and development
12:00:47 8 perspective. There are five bands inside the
12:00:50 9 company. They are described on the left side.

12:00:54 10 Each job that we have fits into a band,
12:00:58 11 and so this is just trying to display how, as you
12:01:00 12 move up in the organization or move through
12:01:02 13 different levels of jobs, the -- that does move
12:01:05 14 through our band structure, and also kind of the
12:01:09 15 expectation of the scope, a little bit about the
12:01:11 16 scope and expectation of what would go with those
12:01:14 17 differences in bands.

12:01:16 18 So it was a way -- an attempt and a way
12:01:19 19 to illustrate how someone could grow in their
12:01:21 20 career with the company across different job
12:01:23 21 family or different jobs.

12:01:25 22 Q. And is the expectation that as one moves
12:01:29 23 up in different job families, that there'll be
12:01:35 24 increased opportunity for compensation?

12:01:40 25 A. I think most people have that

12:01:41 1 expectation. And I -- this doesn't necessarily
12:01:46 2 show that there's always progression across levels
12:01:47 3 across our bands because there's some overlap
12:01:50 4 across them. But, yeah, most people would have an
12:01:52 5 expectation that compensation would grow as they
12:01:55 6 move up in the more senior level roles. This does
12:02:02 7 not define a compensation structure.

12:02:12 8 Q. If you to go to page 20, please.

12:02:24 9 So this has at the top how Intuit makes
12:02:28 10 decisions about job and compensation. That is
12:02:31 11 what you're looking at?

12:02:32 12 A. Yes.

12:02:32 13 Q. Can you walk me through this process
12:02:35 14 that's described called leveling?

12:02:39 15 A. Sure.

12:02:41 16 So we have -- we have defined levels
12:02:44 17 inside the organization. Jobs fit into levels.
12:02:48 18 We are able to take those and connect them back to
12:02:50 19 the surveys like the Radford Survey. So our
12:02:53 20 levels are not identical to Radford's, but we have
12:02:56 21 our own expectations of the differences in the job
12:02:58 22 levels.

12:02:58 23 And different numbers of levels get used
12:03:00 24 in different job families based on business needs.
12:03:03 25 But we use that to get some level -- some

12:03:05 1 consistency across the organization.

12:03:08 2 We provide that as a basic piece of
12:03:10 3 infrastructure that would help leaders have access
12:03:13 4 to that external market data. So when they're
12:03:17 5 choosing to hire, open a position or promote
12:03:19 6 someone into a role, it gets grounded in that
12:03:22 7 level first and that gives you access to a set of
12:03:24 8 data.

12:03:29 9 Q. And number 3 says "Target mix based on
12:03:33 10 Intuit benchmark profile."

12:03:36 11 What is the Intuit benchmark profile, if
12:03:38 12 you know?

12:03:38 13 A. So we started calling them Intuit
12:03:40 14 benchmark levels or the Intuit benchmark profile
12:03:43 15 as something that's more consistent inside of the
12:03:46 16 organization versus being someone else's level.

12:03:48 17 And so we index it in some respect to
12:03:50 18 the surveys that we participate in so that we can
12:03:52 19 match our jobs to those surveys, but it's not
12:03:55 20 exactly the same as their level. So benchmark
12:03:59 21 kind of being the standard.

12:04:05 22 Q. And then on the right side where it is
12:04:11 23 described as the right compensation management
12:04:14 24 perspective, do you see that?

12:04:15 25 A. Yes.

12:04:16 1 Q. The second bullet point says, "Incentive
12:04:19 2 targets consistent by Intuit job," and that's in
12:04:22 3 quotes.

12:04:23 4 Do you know what that means?

12:04:25 5 A. Yes. We were -- and I'm going to tie it
12:04:29 6 back to the first bullet a little bit because they
12:04:32 7 are connected in this.

12:04:33 8 We were using this as a tool to try to
12:04:35 9 help our hiring managers in making decisions in
12:04:37 10 that Intuit has a strong bonus program, funds the
12:04:40 11 bonus program at a significant level in almost
12:04:43 12 every year. We wanted our leaders to focus on
12:04:46 13 that bonus target and bonus opportunity as much if
12:04:50 14 not more than they focused on salary. Because we
12:04:53 15 were seeing some practices previously where they
12:04:55 16 were just looking at salary and not realizing the
12:04:58 17 value of the bonus.

12:04:59 18 So we wanted to emphasize that the bonus
12:05:02 19 is primary. And because our bonus targets are
12:05:05 20 bigger, you see in the parentheses on the second
12:05:08 21 bullet, our IPI targets are higher than the market
12:05:08 22 on average. We wanted them to remember that if
12:05:11 23 they were make compensation decisions.

12:05:13 24 The job is that job profile which ties
12:05:16 25 back to kind of -- really ties back to the

12:05:19 1 benchmark level inside of Intuit. The benchmark
12:05:23 2 level just defines the bonus target.

12:05:25 3 Q. Okay. And if you could go to 26,
12:05:35 4 please. This pay decision guidelines chart, is
12:05:44 5 this what you would describe as the pay for
12:05:46 6 performance system, that is the pay increases
12:05:52 7 based on performance ratings?

12:05:56 8 A. This was a tool that we gave to try to
12:05:58 9 assist leaders in making the decisions to reflect
12:06:00 10 the pay for performance philosophy.

12:06:14 11 Q. And can you describe for me the -- the
12:06:16 12 last column to the right, the IPI payout range at
12:06:21 13 percent of target. What is that reflecting there?

12:06:24 14 A. The guidelines that were provided based
12:06:26 15 on the performance levels of how much bonus would
12:06:29 16 be paid to employees in those performance levels
12:06:33 17 as a percentage of their target bonus.

12:06:37 18 Q. And do you know why in a couple boxes
12:06:38 19 there's more than one range?

12:06:43 20 A. No.

12:07:01 21 Q. Page 28 has a slide called "Making Stock
12:07:08 22 Option Decisions."

12:07:09 23 Do you see that?

12:07:10 24 A. Yes.

12:07:10 25 Q. The second item on this page says

12:07:12 1 "Retention... 'Risk' Management."

12:07:15 2 Do you see that?

12:07:16 3 A. Yes.

12:07:16 4 Q. You testified a little bit about this
12:07:17 5 earlier. Is this the process by which different
12:07:23 6 employees are rated depending on their role,
12:07:26 7 skill, talent?

12:07:28 8 A. This is an attempt in one bullet to
12:07:32 9 capture the essence of the retention ratings --

12:07:36 10 Q. Okay.

12:07:37 11 A. -- in that first bullet.

12:07:40 12 Q. Do you know if this is going to anything
12:07:42 13 else besides retention ratings? Was there any
12:07:44 14 other process to identify this high talent that
12:07:46 15 was independent of those ratings?

12:07:52 16 A. At different times we've had some
12:07:53 17 different processes that would have identified it.
12:07:55 18 Our expectation was that it was captured in the
12:07:58 19 retention ratings.

12:07:59 20 Q. And what have been those other processes
12:08:02 21 that have existed outside of that?

12:08:04 22 A. There's been different changes in the
12:08:05 23 business as we've had shifts in technology, focus
12:08:08 24 on technology that have led to different ways to
12:08:11 25 think about critical skills or talent.

12:08:14 1 Q. What would be an example of that?

12:08:16 2 A. There was a terminology that was used at
12:08:19 3 one point called cornerstone engineer.

12:08:21 4 Q. And what did that mean?

12:08:23 5 A. Thinking like -- thinking like a
12:08:24 6 building, and the cornerstone is the first block
12:08:27 7 and the strong block that you build the rest of
12:08:29 8 your building around and using -- using that as a
12:08:32 9 identifier for key technical talent that was
12:08:34 10 critical for the future and the direction that we
12:08:36 11 were going, again, with the expectation that they
12:08:39 12 would be captured based on retention ratings,
12:08:41 13 they'd be retention 1s.

12:08:45 14 Q. And when the cornerstone engineer
12:08:52 15 concept was being used, was there a project to go
12:08:56 16 out and identify who were those key engineers in
12:08:59 17 the organization?

12:09:01 18 A. There was an expectation that through
12:09:03 19 the review processes, that those engineers were
12:09:06 20 identified by their respective managers. So it
12:09:09 21 was manager discretion in identifying who that
12:09:12 22 talent was. There was nothing systematic to do
12:09:16 23 this. It was managers looking at their own teams
12:09:18 24 and identifying who they saw as that critical
12:09:20 25 talent.

12:09:20 1 Q. So in connection with the regular review
12:09:23 2 process, managers were trained that they should
12:09:25 3 also be thinking about the cornerstone people
12:09:28 4 within their groups?

12:09:28 5 A. I don't know exactly how we did it
12:09:31 6 specifically.

12:09:33 7 Q. Was the concept that it would be within
12:09:35 8 the regular review process?

12:09:37 9 A. Yes. As part of the normal process that
12:09:38 10 they would be identified, and with the focus that
12:09:42 11 they would be retention 1s and they would be
12:09:44 12 getting rewarded in a way that told them they were
12:09:50 13 key.

12:09:53 14 MS. DERMODY: Should we break for lunch?

12:09:55 15 MR. KIERNAN: Sure. Yeah. That works.

12:09:57 16 THE VIDEOGRAPHER: This is the end of
12:09:57 17 Video Number 2. The time is 12:09 p.m. We are
12:10:00 18 going off the record.

12:10:01 19 (Whereupon, a lunch recess was taken.)

12:10:03 20 AFTERNOON SESSION

01:04:54 21 THE VIDEOGRAPHER: This is the beginning
01:04:55 22 of Video Number 3 in the deposition of
01:04:58 23 Mason Stubblefield. The time is 1:04 p.m. We're
01:05:01 24 back on the record.

01:05:12 25 BY MS. DERMODY:

01:05:14 1 Q. Mr. Stubblefield, the document placed in
01:05:16 2 front of you was previously marked as
01:05:18 3 Exhibit 1760.

01:05:20 4 Do you see that?

01:05:20 5 A. Yes.

01:05:21 6 Q. And if you could turn the page to the
01:05:27 7 cover of this selection of slides or PowerPoint.
01:05:30 8 Do you recognize this document?

01:05:31 9 A. I -- I have seen it before. I don't
01:05:34 10 know the specific context of where it was used,
01:05:36 11 but ...

01:05:37 12 Q. If you look on the second page of the
01:05:38 13 document, again, there's page numbers in the
01:05:40 14 bottom left corner. There's a date in the middle
01:05:43 15 of that page.

01:05:44 16 Do you see that?

01:05:44 17 A. Yes.

01:05:47 18 Q. Do you know at this time period who
01:05:48 19 would have created this document? Would it have
01:05:50 20 been the same people as the document we had marked
01:05:52 21 as 1761?

01:05:55 22 A. I don't know specifically, but likely
01:05:56 23 the same people.

01:06:00 24 Q. Was this a presentation that you
01:06:01 25 attended?

01:06:02 1 A. I'd have to look through more of the
01:06:04 2 document to see.

01:06:05 3 Q. Sure. Go right ahead.

01:06:07 4 A. But it is -- it is probably a
01:06:10 5 presentation that I attended.

01:06:16 6 Yes.

01:06:17 7 Q. And who was this presented to?

01:06:22 8 A. Given the date that's on this document,
01:06:25 9 I'm not really sure who it was presented to. So
01:06:27 10 it's a -- it may actually be an earlier version of
01:06:30 11 what ended up as the other exhibit, so it's very
01:06:34 12 similar content. There's some -- potentially some
01:06:37 13 connection between those two.

01:06:38 14 It was potentially presented within the
01:06:40 15 HR team and probably, you know, potentially
01:06:42 16 presented to managers at some point later. The
01:06:44 17 January date throws me off a bit, because that's
01:06:47 18 earlier than we generally would have done
01:06:49 19 training.

01:06:50 20 Q. Okay. If you turn to page 6, there's a
01:06:55 21 statement at the top, "Compensation's Guiding
01:06:58 22 Principles."

01:06:59 23 Do you see that?

01:07:00 24 A. Yes.

01:07:00 25 Q. The third bullet point says, "Provide

01:07:02 1 equitable, competitive compensation opportunities
01:07:05 2 that attract and retain key talent."

01:07:08 3 Do you see that?

01:07:08 4 A. I see that.

01:07:10 5 Q. Do you know what is intended here by the
01:07:12 6 "equitable, competitive compensation" that's
01:07:14 7 described?

01:07:17 8 A. I don't know specifically what was
01:07:19 9 intended by that.

01:07:19 10 Q. Do you have an understanding of what
01:07:20 11 that means in this context?

01:07:24 12 A. I have a perspective, my perspective of
01:07:26 13 about what I think it might be, but I don't know
01:07:28 14 what was intended when it was written here.

01:07:30 15 Q. Okay. And what was your perspective?

01:07:33 16 A. So my perspective in looking at it is --
01:07:35 17 is, you know -- the intent of finer compensation
01:07:39 18 principles is to provide appropriate compensation
01:07:43 19 that's balancing a number of different factors,
01:07:44 20 one of those being the competitive landscape and
01:07:47 21 what else is happening in the marketplace.

01:07:51 22 Q. And where does the concept of equitable
01:07:54 23 treatment come into play?

01:07:58 24 A. Equitable is not a word that we use a
01:08:00 25 lot, actually, so I don't -- it's -- I don't know

01:08:02 1 the full context of this deck. This may have been
01:08:04 2 an earlier working product of something that ended
01:08:07 3 up being in the other exhibit and was language
01:08:10 4 that evolved over time. We talk much more about
01:08:12 5 appropriate and talk about return on investment.

01:08:15 6 Sometimes equitable has different views,
01:08:19 7 different meanings to different people, and so
01:08:20 8 it's a word we've generally stayed away from. We
01:08:24 9 tend to use the word "appropriate" more often.

01:08:26 10 (Whereupon, Deposition Exhibit 2739
01:08:26 11 was marked for identification.)

01:09:27 12 BY MS. DERMODY:

01:09:28 13 Q. Mr. Stubblefield, the document marked
01:09:29 14 2739 should have an Intuit number below that,
01:09:32 15 -43560. Is that what you're looking at?

01:09:35 16 A. Yes, it is.

01:09:36 17 Q. And if you take a moment to look at this
01:09:37 18 document and see if you recognize it.

01:09:42 19 A. Yes, I do.

01:09:45 20 Q. And what is this?

01:09:47 21 A. This was a document that we used to
01:09:50 22 provide some grounding material, foundational
01:09:54 23 material around the total rewards and pay
01:09:56 24 decisions. So used for our -- people in the HR
01:10:00 25 organization used for new managers in the

01:10:02 1 organization.

01:10:03 2 Q. Okay. And if you --

01:10:08 3 A. And other managers.

01:10:10 4 Q. Okay. And if you look at -- let's see.

01:10:14 5 A couple pages in, there is a date.

01:10:16 6 Do you see that, May 2005?

01:10:18 7 A. Yes.

01:10:19 8 Q. Okay. And does that indicate to you
01:10:20 9 that this was a document that was created in May
01:10:24 10 of 2005?

01:10:28 11 A. I don't know. It says that's when it
01:10:30 12 was created. But it's a time frame around when it
01:10:34 13 was used.

01:10:35 14 Q. And who would have been involved in
01:10:36 15 creating this document?

01:10:39 16 A. I would need to look more through the
01:10:41 17 document to know specifically who would have been
01:10:43 18 included in it.

01:10:44 19 Q. Sure. Take your time.

01:10:54 20 A. It would have been created by various
01:10:57 21 members of the total rewards team. It covers a
01:11:01 22 pretty broad section, really covers the broad base
01:11:02 23 of things from a rewards perspective, so it would
01:11:05 24 have had multiple participants.

01:11:07 25 Q. Would this have been a group that was

01:11:08 1 under your supervision at this time?

01:11:12 2 A. No. It would have been a group under
01:11:15 3 Mr. Grenier's supervision.

01:11:17 4 Q. And would this have been a training or a
01:11:20 5 toolkit that you would have been provided?

01:11:30 6 A. I would have helped produce this, so
01:11:32 7 myself or the group I worked with would have --
01:11:35 8 would have participated in some of the production
01:11:37 9 of this. As a result of that, I would have had a
01:11:38 10 copy of it. But the primary audience for it was
01:11:42 11 other leaders in the organization.

01:12:22 12 Q. So I apologize. I think on mine I don't
01:12:25 13 have page numbers. Does yours have page numbers?

01:12:27 14 A. No, it doesn't.

01:12:28 15 Q. This is going to be very fun, I can
01:12:29 16 tell. Okay.

01:12:50 17 MR. KIERNAN: Each page looks like it
01:12:52 18 has a different -- almost has a different heading.

01:12:57 19 BY MS. DERMODY:

01:12:57 20 Q. So I'm 15 pages into the deck. It says,
01:13:03 21 "Total Rewards Guiding Principles" at the top
01:13:08 22 label of the page.

01:13:09 23 A. Okay.

01:13:10 24 Q. Do you see that?

01:13:11 25 A. This one?

01:13:16 1 Q. There's a list of items here, and the
01:13:19 2 bottom one says, "Internal Equity and Global
01:13:21 3 Consistency."

01:13:23 4 Do you see that?

01:13:23 5 A. Yes, I do.

01:13:24 6 Q. And do you recall conversations about
01:13:29 7 one of the guiding principles of total rewards
01:13:32 8 being internal equity and global consistency?

01:13:37 9 A. I don't recall conversations about that.

01:13:49 10 Q. Do you know who would have created this
01:13:51 11 page in this training?

01:13:52 12 A. I don't know specifically who would have
01:13:54 13 created it, no.

01:13:56 14 Q. Okay. Turn to the next page. So the
01:14:02 15 16th page. It says at the top "Compensation
01:14:05 16 Positioning."

01:14:06 17 Do you see that?

01:14:07 18 A. Yes.

01:14:07 19 Q. Then it says in the box that's towards
01:14:10 20 the bottom, "Market research on three levels," and
01:14:14 21 it lists tech software, financial services and
01:14:17 22 local markets.

01:14:18 23 Do you see that?

01:14:19 24 A. I do.

01:14:20 25 Q. We talked a little bit about the market

01:14:21 1 research earlier.

01:14:25 2 What was the market research that was
01:14:27 3 tech software-specific?

01:14:30 4 A. I'm not sure specifically what the
01:14:32 5 reference would be in -- in this.

01:14:35 6 Q. Using this date as a guide post, do you
01:14:38 7 know what it was generally in 2005?

01:14:42 8 A. What -- I'm not sure I understand your
01:14:43 9 question.

01:14:44 10 Q. What the market research on tech and
01:14:46 11 software would have been?

01:14:48 12 A. Probably would have been the Radford
01:14:49 13 Survey or other -- other salary surveys that we
01:14:52 14 used, and that would be an industry cut or an
01:14:55 15 industry view out of that data.

01:14:58 16 Q. Okay. Cut by tech software?

01:15:00 17 A. Yes.

01:15:03 18 Q. And then for financial services, do you
01:15:06 19 know what market research would have been used in
01:15:10 20 this time frame?

01:15:12 21 A. I'm not sure what that would have been.

01:15:15 22 Q. Okay. And the reference to local
01:15:17 23 markets, do you know what that market research
01:15:20 24 would be?

01:15:20 25 A. I'm not sure specifically what it refers

01:15:22 1 to here. When we talked about salary surveys
01:15:24 2 earlier, we talked about the regional cuts that we
01:15:27 3 look at for the geographic basis. It may be a
01:15:31 4 reference to that.

01:15:44 5 Q. I'm going to try to use as little of
01:15:47 6 this document as possible because it's really hard
01:15:48 7 to use without page numbers, so bear with me. A
01:15:53 8 lot of it is material I believe used in other
01:15:56 9 documents we're looking at.

01:16:06 10 Okay. Of course. So about halfway
01:16:10 11 through the document, there is a page that says
01:16:13 12 "New Hire Guidelines" and it's a chart.

01:16:28 13 A. Okay. I think I'm close.

01:16:43 14 Q. That is exactly the chart, yes. Thank
01:16:46 15 you.

01:16:46 16 A. Okay.

01:16:47 17 Q. Can you describe for me what this
01:16:48 18 reflects?

01:16:52 19 A. This reflects the guidelines that were
01:16:55 20 provided for stock option grants for new hires.
01:16:59 21 It describes different salary levels which would
01:17:02 22 get to different groupings of employees across the
01:17:05 23 company and different categories around
01:17:08 24 eligibility for equity.

01:17:11 25 Q. And this snapshot of the new hire

01:17:16 1 guidelines, is that something that is lifted from
01:17:18 2 an internal database, or was this created just for
01:17:23 3 this training as an exemplar?

01:17:34 4 A. The guidelines would not be created in a
01:17:36 5 database. The guidelines would be created from a
01:17:38 6 program or a practice perspective. They'd be
01:17:40 7 stored in documents like a document that's
01:17:43 8 probably behind this, and this is just a display
01:17:46 9 of that. So there's -- somewhere there's a
01:17:49 10 reference document that was the new hire
01:17:52 11 guidelines, probably in an Excel file or a
01:17:54 12 PowerPoint file, and this is just a snapshot of
01:17:57 13 that, or a picture of it.

01:17:58 14 Q. And the new hire guidelines would
01:18:01 15 include different job codes, different positions?

01:18:07 16 A. This is based on a different -- this is
01:18:10 17 based on a different model. And so this is using
01:18:12 18 salary level as a primary guide, and then the
01:18:15 19 split between the two things. So we looked at a
01:18:19 20 chart earlier that showed our bands. One of those
01:18:23 21 bands is kind of -- is leaders in expert --
01:18:26 22 leaders and expert contributors. That LEC band
01:18:31 23 that describes a group of positions.

01:18:32 24 And then -- and it separates out
01:18:34 25 engineers and IT individual contributors at the

01:18:36 1 top with a higher level of guidelines than others.

01:18:39 2 So there's a little bit of a split but primarily

01:18:42 3 using salary as a split.

01:18:44 4 Q. And, again, this is used for equity; is

01:18:46 5 that right?

01:18:47 6 A. For stock option.

01:19:11 7 Q. If you could turn to the page that has

01:19:13 8 at the top, "What Is Banding?"

01:19:18 9 A. Okay.

01:19:29 10 Q. Let the team catch up.

01:19:32 11 MR. KIERNAN: I'm there.

01:19:33 12 MS. DERMODY: It's a hard document to

01:19:34 13 use. I apologize. It's how it came in the

01:19:36 14 system, so we'll do our best.

01:19:39 15 Q. Do you recognize what the material is on

01:19:40 16 this page?

01:19:46 17 A. Yes.

01:19:48 18 Q. And is this describing how you associate

01:19:53 19 similar jobs within a family?

01:19:59 20 A. It's not as much similar jobs within a

01:20:01 21 family as it is similar levels of jobs across the

01:20:04 22 whole organization. So this ties back to the

01:20:07 23 bands I just mentioned. So the leadership, leader

01:20:10 24 expert contributor is one of those as a band, one

01:20:13 25 of the five bands in the organization. This is

01:20:14 1 trying to define what those bands are.

01:20:18 2 Q. At the bottom of this page there is a
01:20:21 3 statement or a caption that says, "Common base of
01:20:26 4 job summaries and PS-8 titles and bands."

01:20:31 5 Do you see that?

01:20:31 6 A. I do.

01:20:32 7 Q. Do you know what that means?

01:20:33 8 A. No, I don't.

01:20:36 9 Q. Do you know what the PS-8 titles and
01:20:39 10 bands reference is?

01:20:45 11 A. I have a guess of what it is. I think
01:20:46 12 PS8 refers to PeopleSoft 8, which was the HR
01:20:51 13 database that we used at the time and it was a
01:20:53 14 version of software. And the title there is a
01:20:56 15 title that's attached to a job code and how it
01:20:58 16 would be displayed in a system.

01:21:00 17 We've consistently kept a distinction
01:21:03 18 between a systems title and a business card title
01:21:06 19 and not trying to control business card titles and
01:21:08 20 let individuals choose what they want, with their
01:21:12 21 leader's discretion.

01:21:26 22 Q. If I could trouble you to please turn to
01:21:28 23 the page that says "A Ranking Tool to Help the
01:21:31 24 Rationale and Clarity."

01:21:35 25 A. Okay.

01:22:04 1 Okay.

01:22:05 2 Q. Okay. Can you describe what's being
01:22:14 3 represented on this page?

01:22:19 4 A. I'm not sure I could describe
01:22:21 5 specifically what this was trying to illustrate.

01:22:26 6 Q. It lists as item A, performance, and an
01:22:30 7 item B, retention.

01:22:31 8 Do you see that?

01:22:32 9 A. Yes.

01:22:32 10 Q. And then it has a C, which is pay
01:22:35 11 disparities, evaluate exposure, and has a list
01:22:39 12 below it. Same job, performance, skills, et
01:22:42 13 cetera. Is it defensible?

01:22:44 14 Do you see that?

01:22:44 15 A. I do see that.

01:22:45 16 Q. Do you recall any training around
01:22:47 17 looking at pay disparities to evaluate exposure?

01:22:51 18 A. No. I think from a context perspective,
01:22:53 19 you have to take this page and look at the page
01:22:56 20 prior to it.

01:22:56 21 Q. Sure.

01:22:57 22 A. So the page prior to it is talking about
01:22:59 23 processes or tools to help leaders in evaluating
01:23:03 24 decisions or making decisions. And it's about
01:23:04 25 calibrations across an organization. So

01:23:07 1 calibrating on performance, calibrating on
01:23:09 2 retention, looking at the population by similar
01:23:12 3 positions.

01:23:12 4 So it's not appropriate to put an admin
01:23:16 5 and an executive in the same group and calibrate.
01:23:19 6 So getting groups together that way, using ranking
01:23:22 7 tools, which this shows a way to think about
01:23:25 8 ranking. So using those ranking tools just as
01:23:28 9 ways to think about the calibration and get the
01:23:30 10 population into segments.

01:23:32 11 This second page we went to first on its
01:23:35 12 own has no context.

01:23:36 13 Q. Looking at the page before where it says
01:23:38 14 "Assess and Calibrate Across Organization," one of
01:23:41 15 the items on this page says, "Mitigate Legal
01:23:43 16 Risks."

01:23:44 17 Do you see that?

01:23:45 18 A. Yes, I do see that.

01:23:46 19 Q. And is that advising managers to be
01:23:49 20 aware of treating people with the same talent and
01:23:53 21 performance differently depending on EEO
01:23:56 22 characteristics or things like that?

01:23:58 23 A. I don't know specifically what it meant
01:23:59 24 here.

01:24:01 25 Q. What's your understanding of what that

01:24:03 1 means?

01:24:04 2 A. Like I said, I don't know specifically
01:24:05 3 what it meant here, but the example that you
01:24:08 4 provided would be a likely scenario of things that
01:24:11 5 we would want managers to be looking at. Managers
01:24:16 6 don't have access to all that information. Some
01:24:18 7 managers don't know all the EEOC data behind an
01:24:21 8 individual. So they are really looking at based
01:24:23 9 on performance and retention more than anything
01:24:25 10 else.

01:24:26 11 Q. And is there a separate level review,
01:24:28 12 maybe part of your audit or the compensation
01:24:31 13 group's audit, of recommended merit increases
01:24:34 14 where there is some consideration paid to fairness
01:24:38 15 based on EEO characteristics or things like that?

01:24:41 16 A. No.

01:24:44 17 Q. How do you train managers to do what
01:24:48 18 item C instructs about evaluating exposure in
01:24:53 19 determining whether it's defensible?

01:24:56 20 A. We train managers to focus on
01:24:58 21 performance and making pay decisions based on
01:25:02 22 performance.

01:25:04 23 Q. And the prior slide which says to
01:25:05 24 mitigate legal exposure, how do you train managers
01:25:08 25 to do that?

01:25:09 1 A. Like I said, I'm not sure what the
01:25:10 2 context was for this on this slide or this page.
01:25:13 3 We train managers to focus on performance and to
01:25:15 4 make their decisions based on performance.

01:25:18 5 Q. Do you have training that's focused on
01:25:20 6 EEO issues?

01:25:21 7 MR. KIERNAN: Object to form.

01:25:28 8 THE WITNESS: Intuit requires that
01:25:31 9 leaders go through certain training from a legal
01:25:32 10 perspective on a regular basis, so we do have
01:25:36 11 training in a number of different areas.

01:25:39 12 BY MS. DERMODY:

01:25:40 13 Q. And do you have a training that's
01:25:41 14 focused on managing diversity or diverse people?

01:25:46 15 A. We do.

01:25:46 16 Q. And is part of that training focused on
01:25:49 17 ensuring that there is fairness of treatment
01:25:51 18 across different demographic groups?

01:25:59 19 A. The training focuses on managing
01:26:00 20 diversity, focused on inclusion within the
01:26:03 21 workplace.

01:26:05 22 Q. Is there a training that focuses on
01:26:07 23 paying people that have similar talent and similar
01:26:12 24 performance the same inclusive of different
01:26:14 25 demographic groups?

01:26:15 1 A. We don't have any training that focuses
01:26:17 2 on paying anybody the same. All of our focus on
01:26:20 3 training on compensation is paying for
01:26:22 4 performance, and appropriate pay for the person,
01:26:24 5 the skills they bring, and the contribution that
01:26:26 6 they bring. We specifically train not to focus on
01:26:31 7 internal equity in paying people the same.

01:26:32 8 Q. But assuming that you have two people
01:26:34 9 that have the same skill level and are giving the
01:26:38 10 same performance, is the expectation that their
01:26:41 11 pay would be the same?

01:26:43 12 MR. KIERNAN: Object to form.

01:26:44 13 THE WITNESS: No.

01:26:45 14 BY MS. DERMODY:

01:26:45 15 Q. What would be the distinction between
01:26:47 16 those two people?

01:26:49 17 A. There could be a number of different
01:26:50 18 factors that could drive a distinction. We would
01:26:52 19 expect them to be paid comparably or similarly,
01:26:55 20 but we wouldn't expect them to be paid the same.

01:26:58 21 Q. And what might distinguish them in that
01:27:00 22 hypothetical?

01:27:01 23 A. Could be background and experience,
01:27:04 24 could be prior roles, could be a number of
01:27:06 25 different factors of things that they brought with

01:27:09 1 them to the role that the manager believes drives
01:27:12 2 the different value for them today.

01:27:14 3 Q. So if they -- if one of them had more
01:27:16 4 tenure with the company, more knowledge of the
01:27:20 5 job, for example, that would be a distinction?

01:27:21 6 A. We don't focus on tenure with the
01:27:24 7 company as a factor. So someone might have come
01:27:26 8 in with a different background or different
01:27:28 9 experience an individual manager sees as having a
01:27:31 10 different value. It's the manager's discretion in
01:27:33 11 that case. So not something that the company
01:27:36 12 specifically is looking for that should say they
01:27:39 13 should be paid the same.

01:27:40 14 Q. And if the hypothetical is that the
01:27:43 15 people come in straight out of college, same
01:27:45 16 experience, same performance, would the
01:27:47 17 expectation be that they would be paid the same?

01:27:51 18 MR. KIERNAN: Object to form.

01:27:54 19 THE WITNESS: The -- the one area where
01:27:56 20 we have more consistency in pay is with new grads,
01:28:01 21 because they generally have no work experience.
01:28:02 22 And so fairly typical practice is to pay them
01:28:05 23 roughly the same. It starts to differentiate as
01:28:08 24 they have differences in performance.

01:28:09 25 We don't expect everyone in the same

01:28:11 1 performance rating to get the same merit every
01:28:14 2 year. We expect differentiation inside of that.
01:28:19 3 They would probably be paid similarly but not
01:28:20 4 exactly the same.

01:28:26 5 Done with this one?

01:28:27 6 BY MS. DERMODY:

01:28:28 7 Q. Yes. I know, that was so much fun.
01:28:33 8 We'll probably do better with the numbering.

01:30:00 9 (Whereupon, Deposition Exhibit 2740
01:30:00 10 was marked for identification.)

01:30:14 11 BY MS. DERMODY:

01:30:14 12 Q. Mr. Stubblefield, the document marked as
01:30:17 13 2740 should have a number on the front, INTUIT
01:30:19 14 -52841.

01:30:22 15 Do you see that?

01:30:22 16 A. Yes, I do.

01:30:23 17 Q. If you could turn to the next page,
01:30:25 18 there's a title page. And feel free to look
01:30:31 19 through the document.

01:30:32 20 Do you recognize seeing this before?

01:30:33 21 A. Yes, I do.

01:30:34 22 Q. Okay. Was this training that you
01:30:37 23 attended?

01:30:40 24 A. Yes.

01:30:41 25 Q. And did you participate in creating the

01:30:43 1 content for this document?

01:30:46 2 A. Yes, I did.

01:30:49 3 Q. And what was your role?

01:30:52 4 A. I would have contributed to different
01:30:54 5 portions of it. So just based on the
01:30:57 6 responsibility I had for the focal decision
01:30:58 7 process, I would have contributed to some of this,
01:31:01 8 some of the content.

01:31:03 9 Q. Okay.

01:31:07 10 A. I also would have presented the content.

01:31:11 11 Q. And who would have received this
01:31:13 12 training?

01:31:15 13 A. This was specifically focused on level 2
01:31:16 14 and level 3 leaders, managers within the
01:31:19 15 organization.

01:31:21 16 Q. And for someone who is not versed in the
01:31:25 17 Intuit vocabulary, what does that mean?

01:31:27 18 A. In this context, level 1 is the CEO,
01:31:31 19 level 2 is his direct reports, level 3 is their
01:31:34 20 direct reports.

01:31:45 21 Q. So at this time, were you considered a
01:31:47 22 level 3 manager?

01:31:51 23 A. No. At this time I would have been
01:31:53 24 level 4 within the organization.

01:31:55 25 Q. So is Mr. Grenier a level 3 at this

01:31:58 1 time?

01:31:59 2 A. Yes.

01:32:14 3 Q. If you turn to page 15 of the document,
01:32:19 4 it should have a caption at the top that says, "6
01:32:22 5 Steps In Making an Effective Pay Decision."

01:32:25 6 Do you see that?

01:32:25 7 A. Yes.

01:32:27 8 Q. And step 1 says "Gather Information..."

01:32:31 9 Do you see that?

01:32:31 10 A. Yes.

01:32:36 11 Q. And it gives a set of examples.

01:32:38 12 "Employee performance history, budget, and any
01:32:41 13 other available and relevant pay information" and
01:32:45 14 has in parentheses, "(internal relativities,
01:32:49 15 market data," et cetera.

01:32:50 16 Do you see that?

01:32:51 17 A. Yes.

01:32:51 18 Q. What are internal relativities?

01:32:54 19 A. In this case, I think it would be them
01:32:56 20 looking at the pay of their own team, so how they
01:32:59 21 pay other individuals.

01:33:04 22 Q. And for what purpose would that be?

01:33:06 23 A. Piece of data. It's an input. Like the
01:33:11 24 others, like market data, like hiring --
01:33:13 25 information they are getting from hiring processes

01:33:15 1 or just anecdotal things they are hearing about
01:33:18 2 what may be happening in the marketplace.

01:33:20 3 Q. Would that be akin to an internal
01:33:22 4 benchmark?

01:33:23 5 A. Benchmark is probably broad. It's a
01:33:27 6 data point.

01:33:34 7 Q. Then step 2 where it says "Assess value,
01:33:37 8 supply and demand," do you see that?

01:33:39 9 A. Yes.

01:33:39 10 Q. The underlying sentence says, "Rank
01:33:41 11 employees by performance, retention and pay
01:33:43 12 equity."

01:33:44 13 Do you see that?

01:33:44 14 A. I do see that.

01:33:45 15 Q. And what does that mean?

01:33:49 16 A. I think it refers back to the page we
01:33:51 17 were -- two pages we were looking at on the other
01:33:53 18 document on the calibration process, looking at
01:33:56 19 employees and calibrating across decisions with
01:33:59 20 the intent to recognize that we're paying for
01:34:02 21 performance.

01:34:03 22 Q. And by "calibrating decisions," does
01:34:05 23 that mean that you're linking equivalent
01:34:09 24 performance to similar pay decisions?

01:34:20 25 A. No. It's looking to make sure there's

01:34:22 1 alignment between performance and pay decisions.

01:34:25 2 It's not trying to get to the same decisions.

01:34:27 3 Q. Okay. What is pay equity as referenced
01:34:31 4 here?

01:34:31 5 A. It's looking for that -- I think it's
01:34:33 6 looking for that relationship between pay and
01:34:36 7 performance in that your highest performing
01:34:38 8 employee should likely be one of your highest paid
01:34:42 9 employees.

01:34:46 10 Q. And what was the ranking process that
01:34:49 11 happened?

01:34:51 12 A. I couldn't say specifically what
01:34:53 13 processes were used. If you go back to the other
01:34:55 14 document where it had a tool, that the page we
01:34:57 15 started looking at that had the two charts, the
01:35:00 16 three different levels in it, that was a
01:35:02 17 suggestion as a way to think about ranking,
01:35:04 18 ranking by performance and by retention.

01:35:07 19 Q. Can you tell me which document you're
01:35:08 20 talking about?

01:35:09 21 A. Sorry. That was the one that's labeled
01:35:11 22 2739.

01:35:31 23 Q. Oh, the page that had those boxes?

01:35:35 24 A. Yes.

01:35:35 25 Q. So you're looking at before what was

01:35:37 1 called ranking tool to help with rationale and
01:35:40 2 clarity?

01:35:41 3 A. Yes. So that with the page in front of
01:35:42 4 it on calibration.

01:35:53 5 MR. KIERNAN: Kelly, if it's helpful,
01:35:55 6 it's also in this -- it's also in the current
01:35:58 7 exhibit.

01:35:59 8 MS. DERMODY: Oh, please tell me where.
01:36:00 9 That would be much --

01:36:02 10 MR. KIERNAN: 2740. And it has page
01:36:03 11 numbers. So it's page 20 and 21.

01:36:10 12 MS. DERMODY: Bless you, Mr. Kiernan.

01:36:16 13 MR. KIERNAN: I don't want to go back to
01:36:18 14 that other document because of the length.

01:36:20 15 MS. DERMODY: Yes. Yes. Hard to use.
01:36:21 16 Great.

01:36:22 17 Q. So in Exhibit 2740 on page 21, is this
01:36:27 18 the chart that you were referencing?

01:36:33 19 A. Yes.

01:36:33 20 Q. And how does the ranking work using this
01:36:35 21 chart on page 21?

01:36:41 22 A. This was intended to be -- there's a
01:36:43 23 tool to help leaders in comparing decisions,
01:36:45 24 evaluating their decisions to make sure that they
01:36:47 25 are rewarding performance appropriately. There

01:36:49 1 wasn't a systematic ranking process across the
01:36:53 2 organization, so individual managers would choose
01:36:55 3 to use -- could choose to use this or not.

01:37:03 4 Q. And was the concept that if you had
01:37:07 5 listed here 30 employees, you would attempt to
01:37:13 6 break into 1, 2 and 3, those 30 employees, with at
01:37:18 7 least the top group being 1 and the bottom group
01:37:21 8 being 3?

01:37:24 9 A. If I understand your question, I think
01:37:25 10 so. So if you just put them in broad categories,
01:37:28 11 yes. Yeah.

01:37:30 12 Q. Okay. If you turn to page 23, there's a
01:37:44 13 page that's called "Actions that Raise Eyebrows."

01:37:48 14 A. Yes.

01:37:50 15 Q. And it says in the very first bullet,
01:37:51 16 "Exceptions, multiple actions... the right
01:37:55 17 rationale."

01:37:56 18 Do you see that?

01:37:56 19 A. Yes.

01:37:56 20 Q. And what is your understanding of what
01:37:58 21 that means?

01:38:02 22 A. As managers are making decisions in this
01:38:04 23 process, there's -- there's a number of decisions
01:38:06 24 that they can make.

01:38:08 25 We provide guidelines or recommendations

01:38:10 1 of what merit increases would look like for
01:38:12 2 different levels of performance. An exception
01:38:15 3 would be something that falls outside of those
01:38:17 4 guidelines. Either too high or too low. That's
01:38:20 5 going to attract attention. The idea of raising
01:38:23 6 eyebrows, we're going to look at those to make
01:38:25 7 sure that there's a reasonable explanation for it.
01:38:28 8 And there many times is a plausible reason why
01:38:30 9 something should happen outside of our guidelines.

01:38:33 10 The multiple actions refers to a couple
01:38:35 11 of things in that it -- during this time period,
01:38:40 12 we had the opportunity for managers to make a
01:38:41 13 decision to do a merit increase in a merit lump
01:38:45 14 sum. The merit lump sum is a bonus instead of
01:38:48 15 increasing the pay. The combination of a merit
01:38:50 16 increase and a merit lump sum doesn't make much
01:38:53 17 sense. So it would be things like that if you're
01:38:55 18 doing things that felt inconsistent.

01:38:56 19 It's also probably looking at just kind
01:39:00 20 the broader decisions of a merit increase and a
01:39:02 21 promotional increase for someone or an adjustment
01:39:04 22 for someone, and what's the combination of those
01:39:07 23 activities and do they all make sense based on
01:39:09 24 performance and contributions of the employee.

01:39:11 25 Q. Okay. On page 33, there is a caption at

01:39:19 1 the top, "A Reminder...Role of Manager - New
01:39:22 2 Hires."

01:39:23 3 Do you see that?

01:39:24 4 A. Yes. Yes.

01:39:26 5 Q. And then it says under the first --

01:39:30 6 under the bullet, "Pivotal in the Process," the

01:39:34 7 first bullet, "Recommend grants based on

01:39:36 8 competitive market needs case-by-case... however,

01:39:38 9 always initiate offers from the lower end of

01:39:41 10 guidelines."

01:39:42 11 A. Yes.

01:39:42 12 Q. Do you see that?

01:39:43 13 A. Yes.

01:39:43 14 Q. And what is this about? Do you know?

01:39:46 15 A. So this is specifically referring to the

01:39:48 16 role of a new hire, or a manager of a new hire so

01:39:51 17 when we were hiring someone into the organization,

01:39:53 18 we had made a shift around this time period of

01:39:55 19 moving away from granting stock options to

01:39:58 20 everyone that we hired to becoming more selective.

01:40:01 21 We looked in one of the exhibits earlier

01:40:04 22 of the new hire guidelines on equity. So this

01:40:07 23 would be referring to using -- using equity only

01:40:10 24 where you need it, so not assuming anymore that

01:40:12 25 everyone is going to get equity just because they

01:41:31 1 Do you see that?

01:41:31 2 A. Yes.

01:41:32 3 Q. And where do those status items come
01:41:36 4 from? Who was the decision maker?

01:41:39 5 A. It's -- it's a status from a process
01:41:42 6 perspective, not from a decision perspective. So
01:41:45 7 this whole section of material was training
01:41:48 8 material on using the system. And this is trying
01:41:51 9 to help managers understand how to navigate within
01:41:55 10 the system.

01:41:56 11 Where you see the statuses labeled, over
01:41:59 12 on the far left column, you'll also see a thing, a
01:42:01 13 label. If it's there it says "down org" or it's
01:42:04 14 blank. When it says "down org," it means that the
01:42:08 15 name next to it has subordinate employees.

01:42:11 16 And the "submitted," "rejected,"
01:42:13 17 "pending" or "accepted" tells you the status of
01:42:16 18 the decisions below them. So had they been
01:42:19 19 accepted -- have they been submitted by that
01:42:21 20 manager; were they submitted and then rejected by
01:42:24 21 the more senior level manager; are they still in
01:42:27 22 process, which would be pending; or have they been
01:42:29 23 submitted and were approved and accepted by the
01:42:31 24 more senior manager.

01:42:36 25 Q. And then let's just take an example

01:42:38 1 here. Blue Sky is one of the -- the names listed.
01:42:45 2 There's a performance rating of 3 and a retention
01:42:47 3 code of 1 and a base salary with a 10 percent
01:42:52 4 raise. The rejected that's listed here, your
01:42:57 5 understanding is that's not that that
01:43:00 6 recommendation right there is rejected?

01:43:02 7 A. It has nothing to do with that
01:43:03 8 recommendation at all. It's all about the
01:43:05 9 decisions that Blue Sky made for the employees
01:43:08 10 below Blue Sky. And this is just made up data
01:43:14 11 that we use for training purposes. This is not
01:43:16 12 real data.

01:43:18 13 Q. There isn't a Blue Sky?

01:43:20 14 A. There might be. But all the numbers,
01:43:22 15 everything else is just made up for demonstration
01:43:26 16 purposes.

01:43:27 17 Q. Okay. If you turn to 45, please.

01:43:43 18 A. Mh-hmm.

01:43:50 19 Q. It should say, "Recommend a Merit
01:43:51 20 Increase - Salaried Employee."

01:43:54 21 Do you see that?

01:43:55 22 A. Yes.

01:43:55 23 Q. Is this another tool that's available
01:43:57 24 online for managers to come up with a proposed
01:44:01 25 salary recommendation?

01:44:02 1 A. This is part of the same tool, so this
01:44:04 2 is still part of the instructions for a manager on
01:44:07 3 how to use the system.

01:44:10 4 Q. And on this representation you'll see
01:44:14 5 within the chart under 1.B, "Merit Increase,
01:44:18 6 Increase Range: Min 5.0% Max 10.0 %."

01:44:23 7 Do you see that?

01:44:24 8 A. Yes.

01:44:24 9 Q. Was that typically provided within this
01:44:26 10 tool for the merit increase decisions?

01:44:32 11 A. This tool provided that reference
01:44:35 12 information based on a performance rating.

01:44:37 13 Q. So there would be a performance rating,
01:44:39 14 and then that would generate that recommendation?

01:44:46 15 A. Yes. Yeah. So in one of the earlier
01:44:48 16 documents, we looked at some things that were
01:44:49 17 labeled as control tables. This is where control
01:44:52 18 table values come back out. Based on a
01:44:55 19 combination of values, this is what got displayed.

01:44:57 20 So this process started -- if we go back
01:45:00 21 to the earlier pieces of this section, the process
01:45:03 22 starts with entering a performance rating, and
01:45:05 23 then based on the performance rating, it gives you
01:45:07 24 the guidelines that were set up for the merit
01:45:10 25 increase based on that performance.

01:46:42 1 Q. What does that mean?

01:46:43 2 A. This ties right back to that control
01:46:45 3 table we looked at earlier. We looked at one of
01:46:47 4 the earlier documents where you had questions
01:46:49 5 about the grids in the charts in the table. It
01:46:51 6 had the group numbers that was the combination of
01:46:53 7 performance rating and retention code that drives
01:46:55 8 the eligibility or the recommendation from a stock
01:46:59 9 option perspective.

01:47:00 10 Q. So when you were talking about, in a
01:47:05 11 previous slide, there being -- I think it was just
01:47:08 12 the cover page of this, the level 2 and 3
01:47:11 13 managers, is that different than the group number
01:47:15 14 2, 3 or 4?

01:47:16 15 A. Very, very different.

01:47:18 16 Q. Okay.

01:47:18 17 A. Yes.

01:47:20 18 Q. So the group number 2, 3 or 4, could
01:47:22 19 that cut across anyone in the organization?

01:47:24 20 A. The group number did, you know, does cut
01:47:27 21 across -- did cut across anyone in the
01:47:29 22 organization, everyone in the organization. It
01:47:30 23 was based on their individual performance rating,
01:47:33 24 their individual retention rating. That
01:47:35 25 combination would always give you the same group

01:47:37 1 number to identify where an employee would fit
01:47:40 2 against our guidelines, but not the same as
01:47:42 3 levels.

01:47:42 4 Q. Okay. And if you could please go to 64.
01:47:52 5 It should say "Stock Tool - Recommend Options."

01:47:55 6 Do you see that?

01:47:55 7 A. Yes.

01:47:56 8 Q. And then it has on the right side,
01:47:58 9 "Stock Modeling" and has performance rating and
01:48:02 10 retention code, I guess drop downs.

01:48:08 11 Do you see that?

01:48:08 12 A. Yes.

01:48:09 13 Q. Is this a tool where a manager can
01:48:10 14 insert what the rating was for a particular
01:48:13 15 employee and what her retention code was and then
01:48:18 16 press calculate to come up with a recommended
01:48:21 17 guideline for stock?

01:48:22 18 A. Yes. It was a way for the manager to
01:48:25 19 model if the performance rating was different,
01:48:28 20 what would it do to equity. One of the challenges
01:48:30 21 we had in the organization was we have employees
01:48:32 22 that get promoted during the year. When they get
01:48:35 23 promoted and they move into a new-level job,
01:48:38 24 sometimes their -- most times their performance
01:48:40 25 changes. They might have been outstanding before.

01:48:43 1 Now they are strong. Where they might have been a
01:48:44 2 1, now they're a 2. Against the ratings that were
01:48:46 3 used at this point, this gave them a way to look
01:48:48 4 at what would their equity have been if they had
01:48:52 5 still been rated at a higher level.

01:48:55 6 Q. Okay.

01:48:55 7 (Whereupon, Deposition Exhibit 2741
01:48:55 8 was marked for identification.)

01:49:28 9 BY MS. DERMODY:

01:49:29 10 Q. Mr. Stubblefield, the document marked as
01:49:32 11 2741 should have that Intuit number -53146.

01:49:36 12 Do you see that?

01:49:37 13 A. Yes, I do.

01:49:39 14 Q. And is this an e-mail to you from -- is
01:49:42 15 it Ms. Grafil?

01:49:43 16 A. Yes.

01:49:48 17 Q. And do you recall there being a
01:49:51 18 discussion with Ms. Grafil about competitive
01:49:53 19 salary for strategy positions?

01:49:58 20 A. I don't recall a specific conversation.

01:50:01 21 Q. If you look through the document, does
01:50:03 22 it refresh your recollection about this exchange
01:50:07 23 you were having with her?

01:50:15 24 A. This was seven years ago. I don't
01:50:18 25 recall the specific conversation.

01:50:25 1 Q. Do you have an understanding of what the
01:50:27 2 attachments are reflecting?

01:50:33 3 A. It's reflecting two things. So on the
01:50:37 4 what I guess I would think of as page 2 in this,
01:50:40 5 so the page that says, "Intuit strategy
01:50:43 6 positions," this is a list of the positions that
01:50:46 7 Intuit had for those roles.

01:50:48 8 So the titles, the job codes listed next
01:50:50 9 to those, the salary range guidelines, this is
01:50:53 10 really not a salary range guideline. It's the
01:50:56 11 market reference data. Intuit does not have
01:50:58 12 salary ranges. So this would be polling from a
01:51:01 13 quick base in the market reference data that we
01:51:03 14 have, shows the IPI target that's attached to the
01:51:05 15 job, what that would look like from a total comp
01:51:08 16 perspective, what we would typically provide as
01:51:11 17 stock options for someone coming into the
01:51:13 18 organization in that role, and then the last
01:51:14 19 column is a reference to how they have budgeted
01:51:16 20 for the positions.

01:51:18 21 The third page is some data that she had
01:51:21 22 collected from outside conversations with her
01:51:24 23 recruiting firm on how some of the organizations
01:51:26 24 that we might be recruiting from were paying
01:51:29 25 similar positions.

01:55:06 1 the cover page INTUIT -54116.

01:55:10 2 Do you see that?

01:55:10 3 A. Yes.

01:55:13 4 Q. And if you look through this document,
01:55:14 5 do you recognize what this is?

01:55:17 6 A. Yes.

01:55:18 7 Q. And what is this?

01:55:20 8 A. This is new hire stock -- stock
01:55:22 9 guidelines.

01:55:24 10 Q. Similar to what we've looked at before?

01:55:26 11 A. Similar to what we've looked at before,
01:55:28 12 this is specific to fiscal year '7.

01:55:30 13 Q. Okay. And did you have guidelines like
01:55:32 14 this every year?

01:55:33 15 A. Yes.

01:55:33 16 (Whereupon, Deposition Exhibit 2743
01:55:33 17 was marked for identification.)

01:56:37 18 BY MS. DERMODY:

01:56:37 19 Q. Mr. Stubblefield, the document marked as
01:56:39 20 2743 should have INTUIT -41933 in the front.

01:56:43 21 Do you see that?

01:56:44 22 A. Yes.

01:56:47 23 Q. Is this an e-mail from Ms. Hall to
01:56:50 24 several people CC'ing you?

01:56:53 25 A. Yes.

01:56:57 1 Q. And do you recall having a discussion
01:56:58 2 about the program manager job family?

01:57:09 3 A. Yes.

01:57:09 4 Q. And what was that about?

01:57:16 5 A. Essentially came down to some questions
01:57:18 6 about how the program management job family was
01:57:20 7 being viewed inside the company and whether or not
01:57:22 8 they were product development jobs or -- you know,
01:57:25 9 if they were product development jobs.

01:57:37 10 Q. And as indicated in the middle of the
01:57:39 11 first page under "Offering Program Manager Job
01:57:42 12 Profiles," that paragraph says in the middle:

01:57:47 13 "After some competitive
01:57:49 14 analysis and cleanup to better
01:57:52 15 distinguish manager roles from
01:57:53 16 individual contributor roles,
01:57:55 17 these jobs, along with many
01:57:56 18 others, were moved to an
01:57:57 19 individual contributor category
01:57:58 20 for equity calculations in 2008."

01:58:01 21 Do you see that?

01:58:02 22 A. Yes.

01:58:02 23 Q. And was this one of those groups that
01:58:05 24 had an additional equity consideration that was
01:58:11 25 outside the normal attention in the annual

01:58:15 1 process?

01:58:17 2 MR. KIERNAN: Object to form.

01:58:18 3 THE WITNESS: Sorry.

01:58:19 4 No.

01:58:19 5 BY MS. DERMODY:

01:58:20 6 Q. What was this?

01:58:26 7 A. During the -- the talent and pay
01:58:29 8 process, during the focal review process, part of
01:58:31 9 the decisions that get made around equity, there's
01:58:34 10 a set of guidelines we've looked at in some of the
01:58:36 11 other documents around the equity of the groups
01:58:38 12 for equity and their performance and retention
01:58:40 13 categor- -- ratings driving that group.

01:58:42 14 That group also got connected to how the
01:58:46 15 position was viewed and was it viewed as a product
01:58:48 16 development job or a technical job or an other
01:58:51 17 job.

01:58:52 18 We had higher equity guidelines for the
01:58:54 19 technical or product development jobs than we did
01:58:56 20 for other jobs. This group felt like they had not
01:58:59 21 been given the same equity that they had in the
01:59:01 22 past and that they thought they should be treated
01:59:04 23 like technical jobs and not other jobs, so they
01:59:06 24 raised some questions and this was a response to
01:59:08 25 that.

01:59:34 1 Q. On the same first page here, there is a
01:59:38 2 bold statement, "Some important points," and the
01:59:41 3 second of these is "PD vs. non-PD jobs."

01:59:46 4 Do you see that?

01:59:46 5 A. Yes.

01:59:47 6 Q. And what are -- what are PD versus
01:59:49 7 non-PD?

01:59:50 8 A. What I was just trying to describe,
01:59:52 9 product development versus non-product
01:59:54 10 development.

01:59:55 11 Q. And the second bullet says, "It is the
01:59:57 12 role that qualifies for the PD equity
02:00:00 13 calculations, not the person."

02:00:02 14 Do you see that?

02:00:02 15 A. Yes.

02:00:03 16 Q. And what does that mean?

02:00:04 17 A. When we make program decisions, we make
02:00:07 18 them on a broader category basis. We don't make
02:00:10 19 those program decisions on an individual basis.
02:00:13 20 It would be almost impossible to administer if we
02:00:15 21 did.

02:00:15 22 And so we look and say a job generally
02:00:18 23 requires the engineering degree or generally does
02:00:20 24 not require the engineering degree. We don't look
02:00:23 25 to say does this individual have the degree so

02:00:25 1 they get treated this way. They might have a
02:00:27 2 degree but we might not require it, so it's not
02:00:30 3 valued.

02:00:32 4 Q. Got it.

02:00:38 5 We've been going about an hour. Should
02:00:40 6 we take a break?

02:00:41 7 MR. KIERNAN: Oh, yeah. Time flies.

02:00:44 8 THE VIDEOGRAPHER: This is the end of
02:00:45 9 Video Number 3. The time is 2:00 p.m. We are
02:00:48 10 going off the record.

02:01:00 11 (Whereupon, a recess was taken.)

02:01:00 12 (Whereupon, Deposition Exhibit 2744
02:01:00 13 was marked for identification.)

02:20:04 14 THE VIDEOGRAPHER: This is the beginning
02:20:05 15 of Video Number 4 in the deposition of
02:20:08 16 Mason Stubblefield. The time is 2:20 p.m. We're
02:20:12 17 back on the record.

02:20:15 18 BY MS. DERMODY:

02:20:15 19 Q. And did the witness get passed 5 --
02:20:19 20 2744.

02:20:21 21 A. Yes.

02:20:22 22 Q. That should be in front of you. Let me
02:20:24 23 pass these.

02:20:29 24 Mr. Stubblefield, this document that was
02:20:30 25 marked as Exhibit 2744 should have that Intuit

02:20:33 1 number on the front, 52826.

02:20:36 2 Do you see that?

02:20:36 3 A. Yes, I do.

02:20:38 4 Q. And if you turn to the next page, which
02:20:39 5 is the caption page of this document, your name is
02:20:45 6 in the middle of it.

02:20:46 7 A. Yes.

02:20:47 8 Q. Is this a document that you prepared?

02:20:49 9 A. Yes, it is.

02:20:50 10 Q. And who was this prepared for?

02:20:54 11 A. This was prepared for our talent
02:20:56 12 acquisition team.

02:20:59 13 Q. And was that the recruiting group?

02:21:01 14 A. Yes.

02:21:02 15 Q. Okay. And what was the purpose of this
02:21:06 16 presentation?

02:21:09 17 A. This was trying to help them in ways we
02:21:15 18 wanted them to think about decisions that they
02:21:18 19 make as they were helping managers bring talent
02:21:20 20 into the organization from a rewards perspective.

02:21:24 21 Q. If you turn to page 3 of this
02:21:26 22 document --

02:21:27 23 A. Yes.

02:21:27 24 Q. -- it says at the top "INTU Benchmark
02:21:31 25 Levels: Purpose."

02:21:33 1 Do you see that?

02:21:34 2 A. Yes.

02:21:34 3 Q. And what was the INTU benchmark level?

02:21:40 4 Was that, again, the external market or is it
02:21:42 5 something else here?

02:21:44 6 A. This is internal. So INTU is our stock
02:21:46 7 symbol. Working in equity comp, I tend to
02:21:47 8 abbreviate Intuit in the stock symbol instead of
02:21:50 9 writing it out. So this is a reference to Intuit.

02:21:53 10 We introduced a new framework around job
02:21:56 11 levels. We talked earlier about job architecture
02:21:59 12 in the levels that we used. This was trying to
02:22:01 13 help them get grounded in the way those levels
02:22:04 14 were built and the purpose of the levels.

02:22:08 15 Q. And the third bullet, which says
02:22:10 16 "Provides consistency within levels across job
02:22:14 17 families," do you see that?

02:22:15 18 A. Yes.

02:22:15 19 Q. What is that describing here?

02:22:17 20 A. That the scope and expectations of jobs
02:22:20 21 would be consistent by level. And so with
02:22:24 22 software engineers or finance -- financial
02:22:27 23 analysts or accountants at a level 1 or level 2 or
02:22:31 24 level 3, the basic scope of expectations in those
02:22:33 25 jobs would be consistent while the specific

02:22:35 1 aspects of the job would be different based on the
02:22:37 2 discipline.

02:22:44 3 Q. If you turn to the next page, page 4 --

02:22:46 4 A. Yes.

02:22:46 5 Q. -- which says "INTU Benchmark Levels" at
02:22:50 6 the top.

02:22:55 7 The second bullet says, "Levels have
02:22:58 8 been defined within each of these categories," and
02:23:00 9 then it lists the categories.

02:23:04 10 Can you describe what this is?

02:23:05 11 A. So it starts with the top bullet in that
02:23:07 12 we divided jobs into three basic categories of
02:23:10 13 they're either -- they were nonexempt individual
02:23:13 14 contributor roles, exempt individual contributor
02:23:16 15 roles, or they were managers, and then we defined
02:23:18 16 levels inside of each of those categories.

02:23:20 17 At this time we defined three levels of
02:23:22 18 job as nonexempt individual contributor jobs. We
02:23:24 19 had five levels of exempt individual contributor
02:23:27 20 and four levels of managers, including our
02:23:29 21 director level roles.

02:23:30 22 Q. And was this, again, for equity
02:23:34 23 determinations?

02:23:36 24 A. Equity meaning what?

02:23:37 25 Q. Stock.

02:23:38 1 A. No.

02:23:39 2 Q. This is for everything?

02:23:40 3 A. This was for job leveling purposes and
02:23:45 4 it did not -- levels didn't tie -- levels don't
02:23:50 5 tie directly to compensation, other than to
02:23:52 6 incentive target eligibility or the incentive
02:23:55 7 target associated with the job. It's a tool to
02:23:58 8 help us match our jobs to the market more
02:24:00 9 effectively.

02:24:00 10 So our levels are similar to, mapped,
02:24:05 11 easily mapped to survey job levels so that when we
02:24:08 12 pull market reference data in, we know we're
02:24:11 13 looking at like jobs.

02:24:13 14 Q. The fourth bullet on the same page says
02:24:14 15 "IPI targets based INTU 2 benchmark level."

02:24:18 16 Do you see that?

02:24:19 17 A. Yes. Yes.

02:24:19 18 Q. And what does that mean?

02:24:20 19 A. IPI is Intuit performance incentive.
02:24:23 20 It's essentially the company-wide bonus plan that
02:24:25 21 employees participate in if they're not on a sales
02:24:28 22 plan or a customer care plan. The bonus target
02:24:32 23 for a job is based on that level so that there's
02:24:34 24 consistency across the organization based on scope
02:24:37 25 of jobs, but they have the same bonus opportunity

02:24:40 1 at target.

02:24:45 2 (Whereupon, Deposition Exhibit 2745

02:24:45 3 was marked for identification.)

02:25:10 4 BY MS. DERMODY:

02:25:17 5 Q. The document marked as 2745 should have
02:25:19 6 that number on the front -50015.

02:25:22 7 Do you see that?

02:25:23 8 A. I do.

02:25:26 9 Q. If you open this document to the first
02:25:27 10 page, it has the title page and the next page has
02:25:31 11 a date on it.

02:25:33 12 Do you see those pages?

02:25:34 13 A. Yes, I do.

02:25:36 14 Q. And is this a document that you recall
02:25:39 15 seeing?

02:25:43 16 A. Yes, it is.

02:25:44 17 Q. And would this have been a document that
02:25:46 18 was produced in part in your area at this time?

02:25:52 19 A. Yes, it is.

02:25:57 20 Q. And was this a training for managers?

02:26:03 21 A. It would have been for training probably
02:26:04 22 for managers and maybe for HR business partners.

02:26:08 23 Q. Okay. If you turn to -- oh, dear, it's
02:26:14 24 another one of these documents without page
02:26:16 25 numbers. If you turn about midway through the

14 The dismantling, unsealing, or unbinding
15 of the original transcript will render the
16 reporter's Certificates null and void.

19	x	Reading and Signing was requested.
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20 Reading and Signing was waived.

21	Reading and signing was not requested.
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22

23 KATHLEEN A. WILKINS

24 CSR 10068, RPR-RMR-CRR-CCRR-CLR